



DEMPSEY LORD SMITH, LLC
MEMBER FINRA/SIPC

Part 2A of Form ADV: Firm Brochure

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This brochure provides information about the qualifications and business practices of Dempsey Lord Smith, LLC ("DLS"). If you have any questions about the contents of this brochure, please contact us at 706.238.9575 or Jerry.Dempsey@Dempseyi.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

Additional information about Dempsey Lord Smith, LLC also is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 141238.

Item 2: Summary of Material Changes

The Dempsey Lord Smith, LLC Firm Brochure is an updated version of the Firm Brochure dated 02/01/2022, that has been prepared according to the applicable regulation.

Since our last annual amendment update dated 02/01/2022, the following material changes have been made to the Firm Brochure.

1. Item 9 – Disciplinary Information - Regulatory Action Added – March 2022
2. Item 4 – Advisory Business – Assets under management updated as of April 18, 2022, and language added for other qualified custodians used by the firm to custody advisory assets.

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Item 4: Advisory Business

OVERVIEW

Dempsey Lord Smith, LLC is an investment adviser registered with the Securities and Exchange Commission with its principal place of business in Rome, Georgia. DLS began conducting business in 2007. DLS is owned by the following individuals: Jerry Eskel Dempsey, Jr. (CEO); John Hayward Lord (CCO); Ernest Liddell Smith (Vice President, Sales & Marketing); and Duvan Ledbetter Brock (Vice President, Recruiting and Sales). Jerry Eskel Dempsey owns 28% of the firm while the remaining individuals each have a 24% ownership interest in DLS. As of April 18, 2022, DLS managed \$314,984,725 of Client's assets, all of which are managed on a discretionary basis.

The following paragraphs provides details of the different programs and services offered to Clients.

PORTFOLIO MANAGEMENT

DLS provides portfolio management services on a discretionary basis and non-discretionary basis. DLS will obtain pertinent information concerning the Client such as financial condition, investment objectives, tax status, and general risk characteristics. As appropriate, we also review and discuss a Client's investment history, family composition, and background. The information may be collected by DLS through questionnaires, account forms completed by the Client, or through communication with the Client.

DLS will utilize information obtained from the Client to tailor the Client's portfolio to the needs of the Client. The Client may impose reasonable restrictions or guidelines on the management of the Client's assets, including limitations on the purchase or sale of securities, types of securities, or industry sectors. Assets managed by DLS may be invested in a wide variety of securities, including but not limited to mutual funds, equities, bonds, exchange traded funds, and other security types.

Managing assets on a discretionary basis allows DLS to purchase, sell, invest, reinvest, exchange, and trade the assets in the account(s) of the Client, subject to any restrictions imposed by the Client. This means DLS will have the authority to determine what securities and investments are to be bought or sold, the amount of transactions, and the timing of transactions without first seeking approval of the transaction by the Client. For non-discretionary portfolio management, all portfolio decisions require prior approval by the Client.

DLS requires all accounts of Clients receiving this service to be maintained through our firm, a broker-dealer registered with the Securities & Exchange Commission ("SEC"), Financial Industry Regulatory Authority ("FINRA"), and applicable states, and other qualified custodians. Accounts maintained through DLS are introduced to and custodied by National Financial Services ("NFS"), who holds Client assets as well as executes and settles transactions.

Clients will receive account statements from the custodian no less than quarterly concerning all transactions, balances and portfolio holdings within their account.

MODEL PORTFOLIO MANAGEMENT PROGRAM

DLS provides portfolio management services on a discretionary basis and non-discretionary basis using one or more asset allocation model portfolios professionally managed by DLS. DLS offers a Growth and Income Portfolio, an Income Portfolio, and an ETF/Mutual Fund Portfolio.

Growth & Income Portfolio

The Growth & Income Portfolio seeks to grow the principal value of the investment portfolio and generate income with a moderate risk profile. The portfolio may use different types of securities, including but not limited to stocks, bonds, mutual funds, real estate investment trusts, exchange-traded funds, etc.

Income Portfolio

The Income Portfolio seeks to generate income with a moderate risk profile. The portfolio may use different types of securities, including but not limited to stocks, bonds, mutual funds, real estate investment trusts, exchange-traded funds, etc.

ETF/Mutual Fund Portfolio

The ETF/Mutual Fund Model seeks to grow the principal value of the investment portfolio, and generate income with a moderate risk profile. The portfolio will use mutual funds, and exchange traded funds to diversify the portfolio's investments.

DLS will obtain pertinent information concerning the Client such as financial condition, investment objectives, and tax status. The information may be collected by DLS through questionnaires, account forms completed by the Client, or through communication with the Client. Based on this information, DLS determines if a model portfolio is appropriate for the Client. The portfolio is managed based on the portfolio's goal, rather than on each Client's individual needs. Clients, nevertheless, have the opportunity to place reasonable restrictions on the types of investments to be held in their account.

Managing assets on a discretionary basis allows DLS to purchase, sell, invest, reinvest, exchange, and trade the assets in the account(s) of the Client, subject to any restrictions imposed by the Client. This means DLS will have the authority to determine what securities and investments are to be bought or sold, the amount of transactions, and the timing of transactions without first seeking approval of the transaction by the Client. For non-discretionary portfolio management, all portfolio decisions require prior approval by the Client.

DLS requires all accounts of Clients receiving this service to be maintained through our firm. Accounts maintained through DLS are introduced to and custodied by National Financial Services ("NFS"), who holds Client assets as well as executes and settles transactions.

Clients will receive account statements from the custodian no less than quarterly concerning all transactions, balances and portfolio holdings within their account.

WEALTH MANAGEMENT PLATFORM – MANAGED ACCOUNT SOLUTIONS PROGRAM

Overview

DLS offers Clients the opportunity to receive professional portfolio management through third party asset managers as part of a wrap fee program. DLS is a participant in the Managed Accounts Solution Program (“MAS Program”) offered by Envestnet Asset Management, Inc. (“Envestnet”). Envestnet is a registered investment adviser that operates a technology platform to assist DLS in providing a variety of managed account offerings, recommending asset allocations or specific third party asset managers and/or investment products to our Clients. Envestnet is not affiliated with DLS. A complete description of the MAS Program and the services provided by Envestnet are outlined in Envestnet’s ADV Part 2 Brochure which you should read carefully.

DLS will obtain pertinent information concerning the Client such as financial condition, investment objectives, tax status, and general risk characteristics. As appropriate, we also review and discuss a Client’s investment history, family composition, and background. The information may be collected by DLS through questionnaires, account forms completed by the Client, or through communication with the Client. Upon obtaining sufficient information, DLS will provide the Client with an asset allocation strategy.

DLS will then proceed with performing management searches of various third party asset managers. Based on the Client's individual circumstances and needs, DLS determines which third party asset manager's portfolio management style is appropriate for that Client. Factors considered in making this determination include account size, risk tolerance, the opinion of each Client and the investment philosophy of the selected asset manager. Once a third party asset manager is selected, the third party asset manager will create and manage the Client's portfolio based on information supplied to the manager by DLS to tailor the portfolio to the Client. The Client may or may not be able to impose restrictions or guidelines on the management of the Client's assets, including limitations on the purchase or sale of securities, types of securities, or industry sectors. The type of securities that may be utilized by the third party asset manager may vary from manager to manager based on investment style, limitations on types of securities the manager utilizes, and overall philosophy of a third party asset manager.

DLS monitors the performance of the third party asset manager(s). If we determine that a third party asset manager is not providing sufficient management services to the Client, or is not managing the Client's portfolio in a manner consistent with the Client's information, then we may recommend the Client replace managers. Client meetings are available on a regular basis, or as determined by the Client, to review the account. At least annually, we meet with the Client to review and update, as necessary, the Client's information. However, should there be any material change in the Client's personal and/or financial situation, we should be notified immediately to determine whether any review and/or revision of the Client's strategy is warranted.

Assets of the Client will be managed on a discretionary basis by the third party asset manager. Managing assets on a discretionary basis allows the manager to purchase, sell, invest, reinvest, exchange, and trade the assets in the account(s) of the Client, subject to any

restrictions imposed by the Client. This means the manager will have the authority to determine what securities and investments are to be bought or sold, the amount of transactions, and the timing of transactions without first seeking approval of the transaction by the Client. See the ADV Part 2 of Envestnet for complete details.

Assets will be custodied at National Financial Services, LLC, or other qualified custodian. At a minimum, Clients will receive account statements from the custodian no less than quarterly concerning all transactions, balances and portfolio holdings within their account.

The following paragraphs provide details on each option available under the Managed Account Solutions Program.

Separately Managed Account

DLS offers a Separately Managed Account Program through our relationship with Envestnet. This provides our Clients with access to more than 200 investment strategies available from over 75 portfolio managers selected by Envestnet through their due diligence and portfolio manager evaluation processes. The Separately Managed Account Program is designed to provide our Clients the ability to tailor an investment portfolio to their specific financial needs such as diversification or tax-conscious investing, along with affording Clients further customization of their portfolio by placing reasonable investment restrictions on the types of assets allowed within the account. Portfolio managers are recommended based on the Client's investment objectives and other information provided. Manager changes would be recommended if DLS's or Envestnet's due diligence reviews indicate the portfolio manager is no longer suitable for a particular investment strategy or if a Client's investment objectives change. The minimum account value for the Separately Managed Account Program is \$100,000.

Multi-Manager Account

DLS offers a managed account option available through Envestnet where one or more Subadvisers are selected to manage the Client's assets on a discretionary basis. This investment strategy delivers the benefits of a traditional separately managed account in a single diversified portfolio. Envestnet exercises investment discretion over the account and each account is initially structured based upon the Client's risk tolerance and objectives. The minimum account value for the Multi-Manager Account Program is \$50,000.

Wrap Strategists Mutual Fund & ETF Wrap Portfolio ("Wrap Strategists")

Wrap Strategists consists of independent professional third party money managers (i.e. "strategists") who provide models of mutual funds and/or ETFs. The strategies include, but are not limited to the following: ICON Advisers, Inc. (mutual funds), Russell Investments (mutual funds), Fund Evaluation Group (managed portfolios), Standard & Poor's Investment Advisory Services (MAP mutual fund portfolios), Standard & Poor's Investment Advisory Services (MAP ETF Portfolios), Symmetry Partners (mutual fund portfolios), PMC ETF Solution, and PMC Tactical ETF (Core and Total Return portfolios). This program offers the Client professional money management, performance reporting, and associated service and support. The minimum investment in this program is typically \$5,000 or more depending on strategist selected.

Advisor Directed Unified Managed Account

Through our relationship with Envestnet, DLS offers the Advisor-Directed Unified Managed Account (“UMA”) Program, which allows Clients access to multiple investment strategies through the use of Separate Account Managers (“SAMS”), mutual funds and/or ETFs to facilitate diversification within an individually managed account. The Advisor-Directed UMA features Envestnet as overlay portfolio manager, whose role includes managing the asset allocation of the account on a discretionary or non-discretionary basis and coordinating trading across investments. Each Advisor-Directed UMA is initially structured based upon the Client’s stated goals and objectives. The minimum account value for the Advisor Directed UMA Program is \$50,000.

PMC “SIGMA” and Select Mutual Fund Solution Program (“PMC”)

PMC is a mutual fund wrap program consisting of portfolios sub-managed by Envestnet Asset Management, Inc. (Envestnet). This program offers the Client professionally managed portfolios of mutual funds to meet the financial goals and objectives of the Client. Envestnet will use both proprietary PMC mutual funds, and when deemed appropriate, non-proprietary mutual funds to construct the mutual fund portfolios. The minimum investment in this program is \$25,000.

Strategic Adviser Portfolios Program (“SAP”)

SAP is a mutual fund wrap program consisting of portfolios sub-managed by Strategic Advisers, Inc., a wholly-owned subsidiary of Fidelity Investments. This program offers the Client professionally managed portfolios of mutual funds to meet the financial goals and objectives of the Client. The minimum investment in this program is \$50,000.

WEALTH MANAGEMENT PLATFORM – DLS WRAP FEE PROGRAM

Overview

DLS offers Clients the opportunity to receive professional portfolio management through DLS as part of a wrap fee program.

DLS will obtain pertinent information concerning the Client such as financial condition, investment objectives, tax status, and general risk characteristics. As appropriate, we also review and discuss a Client’s investment history, family composition, and background. The information may be collected by DLS through questionnaires, account forms completed by the Client, or through communication with the Client. Upon obtaining sufficient information, DLS will provide the Client with an asset allocation strategy.

DLS will seek to tailor the Client’s portfolio to their individual needs. The Client may impose reasonable restrictions or guidelines on the management of the Client’s assets, including limitations on the purchase or sale of securities, types of securities, or industry sectors. Assets managed by DLS may be invested in a wide variety of securities, including but not limited to mutual funds, equities, bonds, exchange traded funds, and other security types. The minimum investment in this program is \$10,000.

Assets of the Client may be managed on a discretionary basis or non-discretionary basis by the third party asset manager. Managing assets on a discretionary basis allows the manager to purchase, sell, invest, reinvest, exchange, and trade the assets in the account(s) of the Client, subject to any restrictions imposed by the Client. This means the manager will have

the authority to determine what securities and investments are to be bought or sold, the amount of transactions, and the timing of transactions without first seeking approval of the transaction by the Client. For non-discretionary portfolio management, all portfolio decisions require prior approval by the Client.

In choosing a wrap fee program as opposed to another program managed by DLS, the sole difference is that all custodial, brokerage, and other non-product fees are included in the wrap fee as opposed to other programs. Portfolios are not managed any different. DLS receives a portion of the wrap program fee.

Accounts of Clients receiving this service will be maintained through our firm, a broker-dealer registered with the Securities & Exchange Commission ("SEC"), Financial Industry Regulatory Authority ("FINRA"), and applicable states. Accounts maintained through DLS are introduced to and custodied by National Financial Services ("NFS"), who holds Client assets as well as executes and settles transactions.

Clients will receive account statements from the custodian no less than quarterly concerning all transactions, balances and portfolio holdings within their account.

ADVISOR REFERRAL PROGRAM

The Advisory Referral Program is another program through which Clients can obtain professional portfolio management services through a third party asset manager. In this program, DLS has entered into separate agreements with third party asset managers for Clients to be able to utilize the services of third party asset manager.

DLS will obtain pertinent information concerning the Client such as financial condition, investment objectives, tax status, and general risk characteristics. As appropriate, we also review and discuss a Client's investment history, family composition, and background. The information may be collected by DLS through questionnaires, account forms completed by the Client, or through communication with the Client.

Based on the Client's information, DLS determines which selected third party asset manager's portfolio management style is appropriate for that Client. Factors considered in making this determination include account size, risk tolerance, the opinion of each Client and the investment philosophy of the selected third party asset manager.

The third party asset manager may or may not tailor a portfolio to the needs of the Client. The Client may or may not be able to impose restrictions or guidelines on the management of the Client's assets, including limitations on the purchase or sale of securities, types of securities, or industry sectors. The type of securities that may be utilized by the third party asset manager may vary based on investment style, limitations on types of securities the manager utilizes, and overall philosophy of a third party asset manager.

Assets of the Client may be managed on a discretionary or non-discretionary basis by the third party asset manager depending on their policies.

Managing assets on a discretionary basis allows the manager to purchase, sell, invest, reinvest, exchange, and trade the assets in the account(s) of the Client, subject to any

restrictions imposed by the Client. This means the manager will have the authority to determine what securities and investments are to be bought or sold, the amount of transactions, and the timing of transactions without first seeking approval of the transaction by the Client. For nondiscretionary portfolio management, all portfolio decisions require prior approval by the Client. Clients should refer to the asset manager's Firm Brochure or other disclosure document for a full description of the services offered by the third party asset manager.

Assets may be custodied at National Financial Services, LLC or through another broker-dealer custodian selected by the third party asset manager.

On an ongoing basis, DLS monitors the performance of the third party asset manager(s). DLS will meet with the Client on a regular basis, or as determined by the Client, to review the account. We will, when needed, suggest changes in the Client's portfolio ("rebalancing"), to more effectively address each Client's goals. The Client may then instruct the third party asset manager to make any or all of the changes we recommended. These recommendations are our own, and are neither recommended nor approved by any third party asset manager.

At a minimum, Clients will receive account statements from the custodian maintaining the Client's assets no less than quarterly concerning all transactions, balances and portfolio holdings within their account.

Complete details concerning a third party asset manager's services can be found in their ADV Part 2 Brochure.

FINANCIAL PLANNING & CONSULTING SERVICES

DLS provides financial planning and consulting services. Financial planning services may include, but are not limited to, investment selection/asset allocation, portfolio reviews, periodic Client consultations, retirement planning, estate planning, education planning, cash flow/budget/income analysis, business retirement planning, employee benefits analysis, business succession planning, and/or insurance planning and analysis. The Client may select any or all of these services from DLS.

DLS will rely on objectives and financial profile information provided by the Client to make recommendations on various types of investments, or insurance products to help Client achieve his/her financial objectives, as applicable. Further, DLS will utilize such information to provide guidance on steps and actions the Client can take to achieve other objectives. All financial planning services are tailored to the needs of the Client.

Financial planning services provided are based on the professional judgement of DLS, and Client understands that DLS cannot guarantee that the Client's financial objectives can be met. Through the financial planning process, all questions, information and analysis are considered as they impact and are impacted by the entire financial and life situation of the Client.

Should the Client choose to implement the recommendations contained in the plan, we suggest the Client work closely with his/her attorney, accountant, insurance agent, and/or financial advisor. Implementation of financial plan recommendations is entirely at the Client's discretion. The Client is under no obligation to use DLS for implementing recommendations.

Upon mutual agreement, a written report may be provided to the Client concerning recommendations by DLS. The financial planning recommendations and any written financial plan issued by DLS will be presented to the Client within six months of the contract date, provided that all information needed to prepare the financial plan or make recommendations has been promptly provided by the Client.

PENSION CONSULTING SERVICES

DLS provides pension consulting services. Pension consulting services may include, but are not limited to, investment selection/asset allocation, portfolio reviews, periodic Client consultations, investment policy statement preparation, monitoring of investment performance, employee communications, and benefits analysis. The Client may select any or all of these services from DLS.

Item 5: Fees and Compensation

PORTFOLIO MANAGEMENT

The Client will be assessed the following annual fees by DLS in receiving portfolio management services. The following fees are negotiable between DLS and Client; however, no fee may exceed the stated level below listed.

| Assets Under Management | Maximum Annual Fee % |
|-------------------------|--------------------------|
| \$0 - \$9,999,999+ | 2.50% (2.00% in Alabama) |

The specific annual fee is identified in the contract between DLS and Client. Related Client accounts may be grouped for the purposes of determining the annualized fee. Discounts, not generally available to our advisory Clients, may be offered to family members and friends of associated persons of our firm.

Fees are paid monthly or quarterly in advance or in arrears. DLS with mutual agreement by the Client will determine the frequency and timing of fees. At the end of each month or quarter, depending on the frequency of billing, fees are calculated based on the total asset value of the Client's account at the end of each month or quarter, depending on the frequency of billing. This is then multiplied by the annual fee percentage divided by 365 and multiplied by the days in the billing cycle. For fees paid in arrears, Clients are only billed for the days those accounts are managed. The fees will be deducted directly from the Client's account or from a single account if the Client has multiple accounts. If the Client is being billed in advance and decides to terminate the services of DLS, the Client will be entitled to a pro-rata refund of the fees paid in advance for unearned services. Refunds will be paid by check and/or deposited into the account of the Client. Client may also request a refund of any unearned fees billed in advance by contacting DLS. Refer to Item 15 for a more complete discussion of the process of debiting fees.

In addition to fees charged in providing advisory services, Clients will be subject to additional charges. These include: 1) 12b-1 fees (trail fees earned from the sale of mutual funds and/or ETFs); 2) administrative and management expenses charged in connection with certain security products (i.e. mutual funds, etc.); and 3) charges assessed by the broker-dealer custodian including but not limited to transaction charges, clearing charges, and account maintenance fees. Recognizing that the receipt of 12b-1 fees can create a conflict of interest, it is our firm's policy to select mutual funds and exchange-traded funds that do not possess a sales charge or any 12b-1 fees, where possible.

Refer to Item 12 for a more detail discussion of brokerage.

MODEL PORTFOLIO MANAGEMENT PROGRAM

The Client will be assessed the following annual fees by DLS in receiving portfolio management services. The following fees are negotiable between DLS and Client; however, no fee may exceed the stated level below listed.

| Assets Under Management | Maximum Annual Fee % |
|-------------------------|--------------------------|
| \$0 - \$9,999,999+ | 2.50% (2.00% in Alabama) |

The specific annual fee is identified in the contract between DLS and Client. Related Client accounts may be grouped for the purposes of determining the annualized fee. Discounts, not generally available to our advisory Clients, may be offered to family members and friends of associated persons of our firm.

Fees are paid monthly or quarterly in advance or in arrears. DLS with mutual agreement by the Client will determine the frequency and timing of fees. At the end of each month or quarter, depending on the frequency of billing, fees are calculated based on the total asset value of the Client's account at the end of each month or quarter, depending on the frequency of billing. This is then multiplied by the annual fee percentage divided by 365 and multiplied by the days in the billing cycle. For fees paid in arrears, Clients are only billed for the days those accounts are managed. The fees will be deducted directly from the Client's account or the Client can elect to pay fees by check. If the Client is being billed in advance and decides to terminate the services of DLS, the Client will be entitled to a pro-rata refund of the fees paid in advance for unearned services. Refunds will be paid by check and/or deposited into the account of the Client. Client may also request a refund of any unearned fees billed in advance by contacting DLS. Refer to Item 15 for a more complete discussion of the process of debiting fees.

In addition to fees charged in providing advisory services, Clients will be subject to additional charges. These include: 1) 12b-1 fees (trail fees earned from the sale of mutual funds and/or ETFs); 2) administrative and management expenses charged in connection with certain security products (i.e. mutual funds, etc.); and 3) charges assessed by the broker-dealer custodian including but not limited to transaction charges, clearing charges, and account maintenance fees. Recognizing that the receipt of 12b-1 fees can create a conflict of interest, it is our firm's policy to select mutual funds and exchange-traded funds that do not possess a sales charge or any 12b-1 fees, where possible.

Refer to Item 12 for a more detail discussion of brokerage.

WEALTH MANAGEMENT PLATFORM – MANAGED ACCOUNT SOLUTIONS PROGRAM

The Client will be assessed the following annual fees by DLS in receiving portfolio management services. The following fees are negotiable between DLS and Client; however, no fee may exceed the stated level below listed.

| Assets Under Management | Maximum Annual Fee % |
|-------------------------|--------------------------|
| \$0 - \$9,999,999+ | 2.50% (2.00% in Alabama) |

In a wrap fee arrangement, Clients pay a single fee for advisory, brokerage and custodial services. Client's portfolio transactions will be executed without commission charge in a wrap fee arrangement. In evaluating such an arrangement, the Client should also consider that, depending upon the level of the wrap fee charged by the broker-dealer, the amount of portfolio activity in the Client's account, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately. We will review with clients any separate program fees that may be charged to Clients.

See the Form ADV for the third party asset manager for the policies concerning refunds, and the mechanism for how Clients remit fees owed for third party asset management services. DLS will receive a portion of the fee collected by the third party asset manager.

WEALTH MANAGEMENT PLATFORM – DLS WRAP FEE PROGRAM

The Client will be assessed the following annual fees by DLS in receiving portfolio management services. The following fees are negotiable between DLS and Client; however, no fee may exceed the stated level below listed.

| Assets Under Management | Maximum Annual Fee % |
|-------------------------|--------------------------|
| \$0 - \$9,999,999+ | 2.50% (2.00% in Alabama) |

The specific annual fee is identified in the contract between DLS and Client. Related Client accounts may be grouped for the purposes of determining the annualized fee. Discounts, not generally available to our advisory Clients, may be offered to family members and friends of associated persons of our firm.

Fees are paid monthly or quarterly in advance or in arrears. DLS with mutual agreement by the Client will determine the frequency and timing of fees. At the end of each month or quarter, depending on the frequency of billing, fees are calculated based on the total asset value of the Client's account at the end of each month or quarter, depending on the frequency of billing. This is then multiplied by the annual fee percentage divided by 365 and multiplied by the days in the billing cycle. For fees paid in arrears, Clients are only billed for the days those accounts are managed. The fees will be deducted directly from the Client's account or the Client can elect to pay fees by check. If the Client is being billed in advance and decides to terminate the services of DLS, the Client will be entitled to a pro-rata refund of the fees paid in advance for unearned services. Refunds will be paid by check and/or deposited into the account of the Client. Client may also request a refund of any unearned fees billed in advance

by contacting DLS. Refer to Item 15 for a more complete discussion of the process of debiting fees.

In a wrap fee arrangement, Clients pay a single fee for advisory, brokerage and custodial services. Client's portfolio transactions will be executed without commission charge in a wrap fee arrangement. This is unlike non-wrap fee programs where a Client may be subject to ticket, commission, and account maintenance charges. However, individual products, such as mutual funds and exchange-traded funds, may possess management and other administrative charges which are in addition to a wrap fee. We will review with clients any separate fees that may be charged to Clients.

In evaluating such an arrangement, the Client should also consider that, depending upon the level of the wrap fee charged, the amount of portfolio activity in the Client's account, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately.

Refer to Item 12 for a more detail discussion of brokerage.

ADVISOR REFERRAL PROGRAM

The Client will be assessed annual fees in accordance to the fees established by the third party asset manager, unless otherwise negotiated. See the Form ADV for the third party asset manager for the percentage amount to be owed by Client, whether the fee is billed in advance or arrears, policies concerning refunds, and the mechanism for how Clients remit fees owed for third party asset management services. DLS will receive a portion of the fee collected by the third party asset manager; however, the Client will not pay additional fees by going through DLS as opposed to directly obtaining the services of the third party asset manager.

In addition to annual fees, Clients may be responsible for additional fees including: 1) administrative and management expenses charged in connection with certain security products (i.e. mutual funds, etc.); 2) charges assessed by the broker-dealer custodian including but not limited to transaction charges, clearing charges, and account maintenance fees; and 3) commission charges assessed by broker-dealers. See the Form ADV Part 2 Brochure for the third party asset manager for complete details of any additional expenses, billing policies, refunds, etc.

FINANCIAL PLANNING & CONSULTING SERVICES

Clients obtaining financial planning and consulting service may be billed one of two ways: 1) on an hourly basis ranging from \$50 to \$300 or more; and 2) a fixed fee basis ranging from \$250 to \$25,000. Fees are negotiable.

The specific terms of the fee are identified in the contract between DLS and Client. Discounts, not generally available to our advisory Clients, may be offered to family members and friends of associated persons of our firm.

Upon mutual agreement between the Client and DLS, fees can be billed in advance or arrears. In the case of fees billed in advance for hourly charges, an estimated amount of anticipated hours that will be spent will be used to determine any initial payments. The fees

will be deducted directly from the Client's account or the Client can elect to pay fees by check. Refer to Item 15 for a more complete discussion of the process of debiting fees.

A Client agreement may be canceled at any time, by either party, for any reason upon receipt of 30-days written notice. As disclosed above, certain fees are paid in advance of services provided. Upon termination of any account, any prepaid, unearned fees will be promptly refunded by issuing the Client a check or depositing the refund to their account. In calculating a Client's reimbursement of fees, we will pro-rate the reimbursement according to the number of days remaining in the billing period.

Item 6: Performance-Based Fees and Side-by-Side Management

DLS does not charge or accept performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a Client) or manage accounts which impose performance-based fees.

Item 7: Types of Clients

DLS provides investment advisory services to individuals, high net worth individuals, pension and profit sharing plans, charitable organizations, corporations or other businesses, and state or municipal government entities. DLS requires new Clients to have a minimum account size of \$10,000 to receive portfolio management or other services, excluding financial planning services, from DLS. This minimum may be waived or reduced by DLS at its discretion. DLS does not require a minimum account size or assets or net worth for other financial planning services offered. For programs where a third party asset manager will be managing portfolios, the third party asset manager or program sponsor may have a minimum account size that may be higher or lower than that of DLS. The ADV Part 2A of the third party asset manager or program sponsor will state their minimums if applicable.

Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

METHODS OF ANALYSIS

DLS may utilize a wide variety of sources and tools for analyzing securities and providing advice. This includes, among others, print media (newspapers, journals, and magazines); third party research available through NFS or other sources; corporate rating services; annual reports; company press releases; filings with the SEC; sales literature of product sponsors; and information generally available through the Internet. Software or web-based programs for security analysis may also be utilized. DLS may use technical, fundamental, qualitative, or a combination of analysis methods in making recommendations to a Client and/or making investment transactions for a Client's account.

TECHNICAL ANALYSIS

Technical analysis is the forecasting of future price movements of a given security based on an examination of past price movements. With this method of analysis, there is a general belief that one can identify a trend and conduct transactions based on a trend to generate profits. Price movements may be examined based on the movements on a security or relative to other securities, industry benchmarks, and competitors. Further, price movements may be applied to varying time frames. The primary tools used in technical analysis are charts of price movements.

FUNDAMENTAL ANALYSIS

Fundamental analysis is a method of evaluation that attempts to measure the value of a security by examining economic, industry, and company condition. Fundamental analysis typically focuses on key statistics in a company's financial statements to determine the valuation of a security. Common tools used in fundamental analysis are the review of financial ratios and financial statements.

QUALITATIVE ANALYSIS

Qualitative analysis is a method of evaluating non-quantifiable factors of a security such as the quality of management, labor relations, and the strength of research and development factors not readily subject to measurement. The risk of qualitative analysis is that by itself it does not factor in the attributes of fundamental or technical analysis. It is a limited approach that must be utilized with fundamental and/or technical analysis in making recommendations or selections of securities.

THIRD PARTY ASSET MANAGER ANALYSIS

With respect to third party asset managers, DLS will examine the experience, expertise, investment philosophies, and past performance of third party asset managers to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. DLS further review performance, strategies, holdings, and other criteria as a means of assessing discipline and quality of a manager. DLS will utilize reports issued by the manager, reviews of underlying accounts, regulatory filings, and third party sources as needed to analyze the t manager.

INVESTMENT STRATEGIES

DLS may employ a variety of investment strategies and securities to tailor a portfolio that meets the needs of its Clients. Accordingly, there is no uniform investment strategy applied for all Clients. However, common investment strategies utilized in managing Client's assets include: 1) an asset allocation program utilizing mutual funds and/or exchange-traded funds; 2) investing in financially strong, undervalued stocks of companies; 3) tailoring a portfolio for growth and income; and 4) tailoring a portfolio for income. The below paragraphs provide descriptive information associated with these strategies in addition to risks, in general, provided under "Risk of Loss and Additional Risks".

In pursuing various investment strategies, long term purchases, short term purchases, short sales, and margin transactions may be utilized by DLS. Risks associated with these actions is also discussed further under “Risk of Loss and Additional Risks”.

ASSET ALLOCATION UTILIZING MUTUAL FUNDS AND EXCHANGE-TRADED FUNDS

Asset allocation utilizing mutual funds and exchange-traded funds is primarily utilized to provide customers broad-based diversification among asset and sector classes. This strategy enables DLS to indirectly invest in the securities of companies, indexes, sectors, and industries thus limiting downside risk, in particular non-systematic risk, associated with investing in a security of a particular company. This is also a more cost-effective approach than trying to invest in individual securities of companies to replicate the composition of an index, sector, or industry.

Asset allocation programs utilizing mutual funds and exchange-traded funds involve risks.

1) Exchange traded funds and mutual funds may not be able to replicate the performance of underlying index or sector because of expenses, composition, or other factors. 2) Mutual funds and exchange traded funds possessing international investments are subject to the risk of capital loss due to unfavorable fluctuations in currency exchange rates, difference in accounting principles, or economic or political instability in other nations. 3) News or performance affecting a particular industry or market sector may negatively impact the performance of an entire mutual fund or exchange traded fund. 4) The use of leverage exchange traded funds may result in greater losses or gains as such exchange traded funds increase or decrease at a multiple (i.e. 2x or 3x) of most exchange traded funds.

INVESTMENTS IN STRONG, UNDERVALUED STOCKS

A strategy that may be employed by DLS is to seek opportunities to invest in companies that are financially strong, yet undervalued. DLS will look for potential buying opportunities of stocks of companies who DLS has researched and determined that the stock price is not reflective of the underlying value and strength of the company. DLS will perform financial measurements, statement analysis, and comparative analysis of a company's industry and sector in addition to third-party research in assessing whether a stock trades below an assumed value(s). Technical analysis may also be utilized as to when to purchase/recommend a security and when to exit/sale a security.

Investments in financially strong, undervalued stocks of companies involve risks. 1) By investing in securities of individual companies, Clients will generally possess a lower level of diversification than would otherwise be available by investing in a mutual fund based on a broad-based, market index. A lack of diversification may result in a portfolio being more adversely impacted by news and/or events affecting a company or its industry. 2) Appreciation or the growth rate in the price of the security may be lower than other types of securities, including stocks. It is common that the stock price of many companies may not appreciate as much as a growth or aggressive stock, such as a stock of a technology company. 3) Stock investing may result in substantial or total losses. 4) The individual stock may not perform or increase as well as or at the time a recommendation/purchase takes place.

GROWTH AND INCOME PORTFOLIOS

DLS and its personnel may recommend, purchase, and sale securities to achieve growth and income using a variety of security types. The expectation is to achieve some capital appreciation while providing a steady stream of income that can either be reinvested or be used at the Client's discretion, whether to pay for living expenses or otherwise.

A growth and income strategy involve risks: 1) In pursuing both a growth and income strategy, it is likely that the capital appreciation from increases in prices of securities will likely be less than if a growth strategy by itself was employed. 2) In pursuing both a growth and income strategy, it is likely that the income generated from such a strategy will be less than if an income strategy by itself was employed due to the selection of securities to achieve income. 3) In pursuing income, it is not uncommon to utilize fixed income securities, such as bonds, to achieve income. Fixed income securities are subject to interest rate risk, prepayment risk, market risk, and, in the case of bonds issued by municipalities and corporations, depending on the type of bond, the potential of default risk. 4) In pursuing income, it is common to invest in stocks of companies that offer higher dividends. While these companies' stock price may go up or down, the choice by a company to offer a dividend rate reduces that company's ability to utilize the money paid out in a dividend for other investments in the company, such as research and development, expansion, etc., that could yield greater capital appreciation in the stock.

INCOME PORTFOLIOS

DLS will often pursue an investment strategy that will seek to maximize income relative to the Client's risk profile. An income strategy is pursued typically to provide a Client a steady stream of income that can either be reinvested or be used at the Client's discretion, whether to pay for living expenses or otherwise.

An income strategy involves risks: 1) The pursuit of an income strategy will frequently reduce the likelihood of capital appreciation due to the composition of securities recommended or purchased by DLS. 2) In pursuing income, it is not uncommon to utilize fixed income securities, such as bonds, to achieve income. Fixed income securities are subject to interest rate risk, prepayment risk, market risk, and, in the case of bonds issued by municipalities and corporations, depending on the type of bond, the potential of default risk. 3) In pursuing income, it is common to invest in stocks of companies that offer higher dividends. While these companies' stock price may go up or down, the choice by a company to offer a dividend rate reduces that company's ability to utilize the money paid out in a dividend for other investments in the company, such as research and development, expansion, etc., that could yield greater capital appreciation in the stock.

RISK OF LOSS AND ADDITIONAL RISKS

Investing in securities involves risk of loss that Clients should be prepared to bear. There can be no guarantee of success with the strategies or programs offered by DLS. Past performance is not a guarantee of future returns. As risk is present in any form of investing, some of the more common risks that a Client may be exposed to are:

- Interest-Rate Risk: Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- Market Risk: The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- Inflation Risk: When any type of inflation is present, a dollar today will buy more than a dollar next year, because purchasing power is eroding at the rate of inflation.
- Currency Risk: Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- Reinvestment Risk: This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- Dividend Risk: The risk that the dividend rate offered by a company for an investment in their stock may change due to decisions by the company on whether eliminate or decrease a dividend offered with an investment in a stock.
- Business Risk: These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- Default Risk: The inability of an issuer of repay fixed income securities or meet continuing payment obligations.
- Liquidity Risk: Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- Financial Risk: Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.
- Long-term Trading - Long term trading allows for a longer time period for prices of securities to fluctuate. This may result a Client receiving an execution price at the time of exiting a position that is lower than the price of the security at some point during the holding of such security. Further, by holding a security for a longer length of time, DLS may not be able to take advantage of short-term trading that could be profitable to a Client.
- Short-term trading – Short term trading, particularly frequent trading, can affect investment performance particularly through increased brokerage and other transaction costs and taxes due to differential in tax rates between short-term and long-term holdings. Clients are advised to be mindful of these potential negative consequences. Further, short-term trading creates the potential for sudden losses in addition to gains.

- Margin Risk - The use of margin transactions results in higher costs and generally holds a greater risk. The increased costs are due to interest owed by a Client in borrowing money for effecting and maintaining transactions in securities. The use of margin allows DLS the ability purchase an increased number of securities, which due to their inherent risk, can result in greater fluctuation in the value of a portfolio or exposure to any one security.
- Short Sales – Short sales are when a Client sells a security for which it does not own in anticipation that the price of the underlying security will go down in value so that it can be repurchased to close the outstanding short sale and obtain in a profit in the security. The risk is that the underlying security may go up in value and cannot be bought at a price lower than for which it was sold thus resulting in a loss to the Client.

Item 9: Disciplinary Information

We are required to disclose any legal or disciplinary events that are material to a Client's or prospective Client's evaluation of our advisory business or the integrity of our management. The following are disciplinary events relating to our firm and/or our management personnel:

- 1) In April 2016, the State of North Carolina Insurance Department alleged DLS did not timely disclosure two regulatory actions. The matter was resolved with the firm paying a fine of \$500.
- 2) In January 2015, the State of North Dakota alleged DLS and its broker-dealer representative sold securities to citizens of North Dakota while not registered to conduct business in the state. The firm was fined \$500
- 3) In June 2015, FINRA initiated an action alleging DLS failed to establish escrow accounts that met regulatory requirements in connection with three contingent private placements. Specifically, FINRA alleged that DLS allowed investor money to be commingled in escrow accounts with an attorney that were established by the issuer rather than in an escrow account established at a bank. FINRA further alleged: 1) in connection with the solicitation and sell of bonds issued by an affiliate, that Jerry E. Dempsey, Jr. forwarded seven emails to prospective investors that were unfair and unbalanced and/or promissory; and 2) the firm failed to enforce its written supervisory procedures when it failed to ensure a proper escrow account was established for each of the contingent private placements and to ensure that all communications by its representatives complied with FINRA's advertising rules. Without admitting or denying the allegations, the matter was resolved with a fine of \$10,000 (\$5,000 of which was joint and several with Jerry E. Dempsey, Jr.) was issued and the firm was censured. Once made aware of the error, the firm immediately corrected this error and will not participate in any future private placements whereby a bank is not acting as escrow agent. DLS further notes that no Clients were harmed.
- 4) One of Dempsey Lord Smith, LLC's four principals, Ernest Liddell Smith was involved in an arbitration case in 2001 involving investment advisory Clients. The arbitration cases involved are NASD Case # 02-04368, 02-02098, 02-03579, 02-06599, 02-

05937, and 02-02962, and relate to Mr. Smith's employment with the D.L. Pimper group in Rome, Georgia. The arbitration cases were filed against Mr. Pimper and his asset allocation program from roughly 1993-1999 for allegedly not earning their investment advisory fees, theft by deception, civil rico, Georgia securities act violations, misrepresentation, breach of fiduciary duty, breach of contract, and failure to supervise. The cases have all been settled for \$1,000,000 with no further action. Mr. Smith was involved in this case because he was the Series 24 manager at the branch when these charges were filed against Mr. Pimper. Mr. Smith was fined, his case was dismissed with prejudice, and he did not pay any portion of the settlement. DLS principals fully understand that fair and ethical business practices must be upheld always, and we do not tolerate unfair treatment of our Clients. We would also like to make the following facts known with regards to these arbitration cases: 1) Mr. Smith did not set up Mr. Pimper's asset allocation program, and had no authority to change the referenced business practices; and 2) Mr. Pimper was subsequently found not guilty of all of these charges in these cases.

- 5) In May 2017, the State of Georgia Insurance Department alleged Jerry E Dempsey, Jr. CRD # 1869325 did not timely disclosure the regulatory actions listed above. The matter was resolved with the firm paying a fine of \$300.
- 6) In March 2022, FINRA initiated an action alleging DLS sold four limited partnership interests in a company without informing the customers that the issuer had not timely filed its audited financial statements with the Securities and Exchange Commission or the reasons for the delay. This was material information that should have been disclosed. The firm's sales of the four limited partnership interests totaled \$323,000 and the firm received a total of \$25,840 in commission from the sales. The findings also stated that registered representatives of the firm recommended and sold securities for the issuer to four customers that were unsuitable in light of the customer's investment profiles. Each of the four sales were reviewed and approved by firm principals and the firm received a total of \$24,000 in commissions from the sales. Without admitting or denying the allegations, the matter was resolved with a censure, a monetary fine of \$70,000, and disgorgement/restitution of \$29,840 plus interest.

Item 10: Other Financial Industry Activities and Affiliations

In addition to DLS being a registered investment adviser, our firm is registered as a broker dealer with the SEC, FINRA, and applicable states and as an insurance agency with various states. Management of DLS is registered not only as investment advisory representatives but also as broker-dealer representatives and as insurance agents. Non-management personnel are frequently registered as investment advisory representatives, broker-dealer representatives, and as insurance agents. The role of management and non-management personnel as broker dealer representatives and insurance agents creates a conflict of interest.

Personnel of DLS, acting in the capacity of a broker-dealer representative, receive commissions for sale of securities that are not part of the programs and services offered as an investment adviser. This could influence the objectivity and decision-making of personnel to offer securities on a commission basis instead of a fee basis to optimize their revenue as

well as that of DLS. Conversely, personnel may be influenced to recommend investment advisory services instead of services on a commission basis as a broker-dealer representative as DLS and its personnel may be able to generate greater revenue on an on-going basis through a fee-based account offered as an investment advisory representative.

Personnel of DLS, acting in the capacity of an insurance agent, receive commissions for the sale of various insurance and annuity products. For Clients that receive investment advisory services, the commissions are in addition to any fees owed for investment advisory services. This could influence the objectivity of DLS personnel in making decisions and recommendations as to how a Client shall invest or utilize their money as DLS personnel have an incentive to recommend actions that generate more revenue for DLS and them rather than what is in the best interest of the Client.

Management of DLS must delegate time between their roles in managing the insurance, investment advisory, and broker-dealer aspects of the business. This creates a conflict of interest as management may need to spend more time in one area versus another thus impacting the oversight and management of the investment advisory portion of the business. Management will devote their time as needed between these functions, but the majority of their time is currently devoted to broker-dealer activities. To address this conflict, DLS has hired individuals and, as needed third party consultants, whose focus is to assist with the compliance of the firm with applicable regulations.

DLS endeavors to put the interests of Clients first as part of its fiduciary duty. DLS has taken several actions and practices to mitigate conflicts of interests. DLS has: 1) adopted a Code of Ethics, which is detailed in Item 11, for which all DLS personnel registered as an investment advisor are required to uphold and follow; 2) adopted supervisory procedures to further define supervision and policies for which DLS personnel are required to follow; 3) implemented a compliance program for monitoring and reviewing the advisory business of DLS; 3) developed requirements for disclosure and approval of outside business activities by DLS personnel; 4) prohibited the management of annuity sub-accounts for a fee so we do not receive commissions and on-going advisory portfolio management fees for sub-accounts; 5) implemented regular education on ethics and other pertinent topics; and 6) established a risk committee for, among other things, determining potential conflicts of interests and how they can be mitigated.

As discussed in Item 4, DLS may recommend and/or select third party asset managers for which we receive directly or indirectly compensation for doing so. This creates a conflict of interest as DLS has an incentive to recommend managers to collect management fees and potentially choose managers for whom DLS receives a greater amount of compensation. Firm policies and the Code of Ethics prohibit DLS and its personnel from recommending third party asset managers solely based on the compensation we receive for doing so. More so, DLS has established a fee schedule for which the fees it will receive thereby eliminating the possibility of choosing one manager over another due to the amount of fees collected by DLS and its representatives.

Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

DLS has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws. DLS and our personnel owe a duty of loyalty, fairness and good faith towards our Clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code. The Code of Ethics includes provisions relating to the confidentiality of Client information, a prohibition on insider trading, restrictions on initial public offerings, and personal securities trading procedures, among other things.

Neither DLS or its personnel maintain a material financial interest in any securities recommended to a Client for purchase. Personnel are prohibited from making recommendations in securities in which they have a material financial interest, such as companies in which they maintain a management position or own greater than 5% of outstanding shares and investing in initial public offerings. It is DLS's policy to not permit the firm or its investment advisory representatives to effect any agency cross securities transactions for Client accounts. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory Client and for another person on the other side of the transaction. It is DLS's policy to not effect principal transactions for Client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any Client.

DLS personnel may buy or sell for their personal accounts securities identical to or different from those recommended to our Clients. In addition, DLS personnel may own a certain security(ies), other than those in which they have a material financial interest as above discussed, which may also be recommended to a Client. This creates a conflict of interest as there is a possibility that DLS personnel may obtain an execution price favorable to that of the Client.

To address this conflict, it is the expressed policy of DLS that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts. We may aggregate our employee trades with Client transactions where possible and when compliant with our duty to seek best execution for our Clients. In these instances, participating Clients will receive an average share price and transaction costs will be shared equally and on a pro-rata basis. In the instances where there is a partial fill of a particular batched order, we will allocate all purchases pro-rata, with each account paying the average price. Our employee accounts will be included in the pro-rata allocation.

DLS personnel are further prohibited from recommending or placing a transaction solely because they own the same security. DLS, as a matter of policy, requires all personnel to

make recommendations and selections consistent with the Client's profile and needs. The firm has adopted policies has adopted practices for the periodic review of Client accounts.

A copy of the Code of Ethics is available to Clients and prospective Clients upon request. You may request a copy by emailing Jerry.Dempsey@Dempseyi.com or by calling us at 706.238.9575.

Item 12: Brokerage Practices

DLS, as part of its Portfolio Management, Model Portfolio Management Program, and Wealth Management Program, requires all Clients to utilize our firm and National Financial Services, LLC as the introducing broker-dealer and broker-dealer custodian, respectively. Assets of Clients participating in the Advisory Referral Program will be typically maintained at the choosing of third party asset manager.

National Financial Services, LLC, as part of our contractual agreement, provides, among others, brokerage, custodial, administrative support, quotes, record keeping and related services. NFS charges brokerage fees for transactions and account maintenance charges. NFS also makes available to our firm at no additional charge to us or our Clients research services, including research services obtained from independent research companies. In choosing a broker dealer, key criteria focused upon are costs, execution capabilities, the platform's ability to handle fee-based accounts, and operational assistance to meet the needs of DLS servicing Clients.

The selection of a broker-dealer and broker-dealer custodian creates a conflict of interest. We may have an incentive to continue to use or expand the use of services offered through our broker/dealer and that of National Financial Services, LLC. This incentive is present in several forms: 1) the ability to receive commissions and other fees, such as 12b-1 fees, is possible as our firm also serves as a broker-dealer and have a contractual agreement with National Financial Services, LLC; 2) the receipt of research could entice our firm to use National

Financial Services, LLC instead of a lower cost alternative as at least some research would need to be purchased by our firm at our expense in the servicing of Clients if not otherwise available for no additional charge; 3) the selection of a broker-dealer and its custodian may not result in the lowest cost to the Client for transaction and other charges assessed; and 4) we may not be able to obtain the most favorable execution of Client transactions and this practice may cost Clients more money. Not all advisors require Clients to direct brokerage. To address such conflicts, DLS has adopted policies and practices, in addition to our responsibility as fiduciaries. These policies and practices are below described.

As a matter of policy, DLS and its personnel are generally prohibited from receiving commissions for the sale of securities by DLS or a third party asset manager to a Client as part of the assets under management by DLS or the third party asset manager. For Client assets not being managed pursuant to an Advisory Agreement, DLS and its personnel will receive commissions for the sale of securities. DLS and its personnel may though receive

12b-1 fees from the sale of mutual funds as part of the Client's assets under management if the mutual fund or exchange-traded fund is otherwise not available without 12b-1 fees.

Research received may include analysis of financial markets, the economy, equities, bonds, mutual funds, and other products. Any research received by DLS is not based on commissions/fees generated or the volume of transactions routed through National Financial Services, LLC as such research is made available regardless of volume of transactions or fees. Further, the receipt of research does not result in Clients paying higher amounts of commissions or service fees for transactions or custodial services. To mitigate such conflict, any research obtained can be used by DLS in servicing all Clients of DLS and is not contingent upon Client's assets or frequency of transactions.

While DLS will seek competitive rates, to the benefit of all Clients, we may not necessarily obtain the lowest possible commission rates for specific Client account transactions. We have periodically reviewed commission rates and other charges of our firm and those of National Financial Services, LLC and have determined that such rates and charges are reasonable with other broker-dealers and broker-dealer custodians. Nonetheless, the commissions and transaction fees charged may be higher or lower than those charged by other custodians and broker-dealers.

As the firm requires Clients to maintain accounts through DLS at National Financial Services, LLC, there is the possibility that Clients may not be able receive most favorable execution for their transactions, thus potentially costing the Clients money. In reviewing National Financial Services, LLC, our firm specifically reviews execution capabilities of the broker-dealer custodian. We have determined that National Financial Services, LLC as a matter of regular practice provides best execution through the internal execution of trades or through the routing of orders placed at DLS to electronic communication networks, market makers, or other market participants for execution relative to other qualitative and quantitative factors used in analyzing best execution. We also feel that where DLS is the portfolio manager that the ability of our personnel to serve as both investment advisory representatives and broker-dealer representatives enables our firm to more timely place orders and obtain favorable executions on behalf of Clients as opposed to using another broker-dealer and/or broker-dealer custodian.

DLS does not obtain referrals of Clients from National Financial Services, LLC. However, as discussed in Item 14, we do make and/or receive referrals from other individuals or parties.

DLS will block trades where possible and when advantageous to Clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple Client accounts, so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block. Block trading may allow us to execute trades in a timelier, more equitable manner, at an average share price. Alternatively, DLS may need or otherwise determine that placing individual transactions for Clients is advantageous from a price execution perspective or otherwise does not result in any more costs than block trading. However, for non-wrap fee programs, placing individual transactions as opposed to block trading may result in higher costs to the Clients as the transaction and other fees assessed by National Financial Services, LLC are not otherwise divided among multiple Clients.

Item 13: Review of Accounts

For Client assets receiving portfolio management services from DLS, accounts are continually monitored by the DLS investment advisory representative servicing the Client. Quarterly reviews are undertaken by investment advisory representatives to review accounts managed by third party asset managers. For Clients receiving financial planning and consulting services, reviews are typically undertaken by investment advisory representatives at different stages depending on the nature and terms of the specific engagement. Periodic and random reviews are performed by supervisory personnel of DLS, which include but are not limited to, Jerry Dempsey, CEO, John Lord, CCO, or Ernest Smith, VP Sales & Marketing, or other appropriately licensed supervisors. More frequent reviews may be triggered by material changes in variables such as the Client's individual circumstances, or the market, political or economic environment.

At a minimum, Clients will receive quarterly account statements from the broker-dealer custodian maintaining the assets of the Clients who are receiving portfolio management services by DLS or a third party asset manager. Clients may or may not receive written reports produced by third party asset managers on a periodic basis for assets managed by such third party asset managers. Depending upon the mutual agreement of the Client and DLS, Clients obtaining financial planning and consulting services may receive written financial plans.

Item 14: Client Referrals and Other Compensation

Our firm may pay referral fees to independent persons or firms ("Solicitors") for introducing Clients to us. Prior to the payment of such fees, DLS will enter into a Solicitor Agreement with the Solicitor outlining the terms, conditions, and responsibilities of the parties. We require a Solicitor to provide the prospective Client with a copy of this document and a separate disclosure statement that includes the following information: 1) the Solicitor's name and relationship with our firm; 2) the fact that the Solicitor is being paid a referral fee; 3) the amount of the fee; and 4) whether the fee paid to us by the Client will be increased above our normal fees to compensate the Solicitor. As a matter of firm practice, the advisory fees paid to us by Clients referred by solicitors are not increased as a result of any referral fee paid by us.

DLS has agreements in place where the firm may utilize third party asset managers to manage Client accounts. In such circumstances, DLS receives solicitor fees from the third party asset manager or custodian collecting investment advisory fees. The fees are a portion of the overall compensation paid by a Client to the third party asset manager for portfolio management services. This situation creates a conflict of interest to select third party asset managers offering higher compensation to DLS and the potential that the Client may have been able to obtain services directly from the third party asset manager at a lower cost. When recommending Clients to a third party asset manager, the Client's best interest will be the main determining factor of DLS. These fees do not include brokerage fees that may be assessed by the custodial broker dealer. Fees for these services are based on a percentage

of assets under management not to exceed any limit imposed by any regulatory agency. DLS does not charge additional management fees for the use of third party asset managers.

Outside of providing investment advisory services, DLS and its personnel may receive additional compensation in the form of commissions, fees, prizes, trips, and bonuses for services rendered the sale of insurance and investment products in the role of an insurance or broker-dealer firm or agent. This creates a conflict of interest. As a matter of policy and practice, DLS requires all personnel to act in a fiduciary capacity when working with advisory Clients. The firm has established a Code of Ethics and additional policies requiring DLS and its personnel to act in the best interest of a Client. Additional details concerning affiliations and brokerage is provided in Item 10 and Item 12, respectively.

Item 15: Custody

DLS does not serve as a qualified custodian. All Client assets are maintained with a qualified custodian. Clients will receive at least quarterly statements from National Financial Services, LLC. In instances where the Client is using a third party asset manager who does not maintain accounts at National Financial Services, the Client will receive account statements from that custodian. DLS urges you to carefully review such statements.

Item 16: Investment Discretion

Clients may hire us to provide discretionary portfolio management services. Managing assets on a discretionary basis allows DLS to purchase, sell, invest, reinvest, exchange, and trade the assets in the account(s) of the Client, subject to any restrictions imposed by the Client. This means DLS will have the authority to determine what securities and investments are to be bought or sold, the amount of transactions, and the timing of transactions without first seeking approval of the transaction by the Client. Clients may impose reasonable restrictions or guidelines on the management of the Client's assets, including limitations on the purchase or sale of securities, types of securities, or industry sectors. Clients give us discretionary authority when they sign a discretionary agreement with our firm.

Item 17: Voting Client Securities

DLS does not vote proxies on behalf of Clients. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the Client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the Client's investment assets. We do not offer any consulting assistance regarding proxy issues to Clients.

Item 18: Financial Information

DLS does not require or solicit Clients to pay fees that are greater than \$500 billed six months or more in advance. DLS does not have any financial condition that is likely to impair its ability to meet contractual agreements with Clients. DLS has not been the subject of a bankruptcy petition at any time during the past ten years.