

**Item 1 – Cover Page**



Post Office Box 960  
Occoquan, VA 22125  
(703) 829-7233

21 King Charles Drive  
Portsmouth, RI 02871  
(401) 684-1454

Facsimile: (571) 748-3266  
[www.safeharborfinancialadvisors.com](http://www.safeharborfinancialadvisors.com)  
[www.safeharbor-ri.com](http://www.safeharbor-ri.com)

**Form ADV Part 2A  
Firm Brochure  
March 17, 2022**

This brochure provides information about the qualifications and business practices of Safe Harbor Financial Advisors, LLC. If you have any questions about the contents of this brochure, please contact Mr. George F. Reilly, JD, LLM, CFP®<sup>1</sup> at (703) 829-7233.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or any state securities administrator. Additional information about the Safe Harbor Financial Advisors, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Click on the "Investment Adviser Search" link and then search for "Investment Adviser Firm" using the firm's IARD number, which is 171734.

While the advisory firm and anyone associated with it may be registered and/or licensed within a particular jurisdiction, that registration and/or licensing in itself does not imply an endorsement by any regulatory authority, nor does it imply a certain level of skill or training on the part of the firm or its associated personnel.

---

<sup>1</sup> Please refer to the end of this brochure for an explanation of professional designations and their ongoing continuing education requirements.

## **Item 2 - Material Changes**

Safe Harbor Financial Advisors, LLC is updating its March 26, 2021 Form ADV Part 2 firm brochure for the annual update for 2022. There are a few material changes related to our fee schedule since the prior Form ADV Part 2.

The firm may at any time update this document and either send a copy of its updated brochure or provide a summary of material changes to its brochure and an offer to send an electronic or hard copy form of the updated brochure. Clients are also able to download this brochure from the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) or may contact our firm at (703) 829-7233 to request a copy at any time.

As with all firm documents, clients and prospective clients are encouraged to review this brochure in its entirety and are encouraged to ask questions at any time prior to or throughout the engagement.

**Item 3 - Table of Contents**  
**Form ADV - Part 2**

<u>Topic</u>	<u>Page</u>
Item 1: Cover Page	1
Item 2: Material Changes	2
Item 3: Table of Contents	3
Item 4: Advisory Business	4
Item 5: Fees and Compensation	8
Item 6: Performance-Based Fees and Side-By-Side Management	10
Item 7: Types of Clients	11
Item 8: Methods of Analysis, Investment Strategies and Risk of Loss	11
Item 9: Disciplinary Information	15
Item 10: Other Financial Industry Activities and Affiliations	15
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	16
Item 12: Brokerage Practices	19
Item 13: Review of Accounts	20
Item 14: Client Referrals and Other Compensation	20
Item 15: Custody	21
Item 16: Investment Discretion	21
Item 17: Voting Client Securities	21
Item 18: Financial Information	22
Item 19: Requirements for State-Registered Advisers	22
Form ADV Part 2B Brochure Supplements	23

**Important Information**

Throughout this document Safe Harbor Financial Advisors, LLC shall also be referred to as “the firm,” “firm,” “our,” “we” or “us.” The client or prospective client may be also referred to as “you,” “your,” etc., and refers to a client engagement involving of a single *person* as well as two or more *persons*. In addition, the term “advisor” and “adviser” are used interchangeably where accuracy in identification is necessary (i.e., Internet address, etc.).

## **Item 4 - Advisory Business**

### **Description of the Firm**

Safe Harbor Financial Advisors, LLC is a Virginia domiciled limited liability company formed in June of 2009. We are not a subsidiary of nor do we control another financial services industry entity. In addition to our registration as an investment advisor in the Commonwealth of Virginia in 2014, as well as Rhode Island in 2016, our firm and its associates may register, become licensed or meet certain exemptions to registration and/or licensing in other jurisdictions in which we conduct investment advisory business.

George F. Reilly, JD, LLM, CFP® is our firm's Principal, Managing Member, Chief Compliance Officer (supervisor) and sole shareholder. Additional information about Mr. Reilly and his professional experience may be found toward the end of this brochure.

Safe Harbor Financial Advisors, LLC holds itself to the fiduciary standard, which means that the firm and its associates act in the utmost good faith in what we believe is in the best interest of our clients. As fiduciary investment advisors we are legally obligated to put our clients first and we choose to do so.

### **Description of Advisory Services Offered**

Safe Harbor Financial Advisors, LLC's provides financial planning advice and education. For those interested in areas such as cash flow and budgeting, education funding, retirement planning, risk management, estate or tax planning, business consulting, as well as periodic investment advice, we offer our financial planning services. The firm is also available for educational workshops and seminars.

An introductory interview is conducted by our firm to determine your current situation, long-term goals, and the scope of services that may be provided to you. During or prior to your first meeting you will be provided with a current Form ADV Part 2 firm brochure that includes a statement involving the firm's privacy policy (see Item 11). In addition, we will ensure that we have disclosed any material conflicts of interest that could be reasonably expected to impair the rendering of unbiased and objective advice.

Should you wish to engage our firm for its services, you must first execute our client engagement agreement. Depending on the scope of the engagement, you may be asked to provide copies of or information involving the following documents early in the process:

- Wills, Codicils and Trusts
- Insurance policies
- Mortgage information
- Tax returns
- Current financial specifics including W-2s or 1099s
- Information on current retirement plans and benefits provided by your employer
- Statements reflecting current investments in retirement and non-retirement accounts
- Employment or other business agreements you may have in place
- Completed risk profile questionnaires or other forms provided by our firm

Our ability to provide our advisory services depends on access to important information about our clients, and it is important that the information and financial statements you provide is accurate. Our firm may, but is not obligated to, verify the information you have provided which will then be used in the financial planning or investment advisory process. In addition, it is necessary that you provide us with an adequate

level of information and supporting documentation throughout the term of the engagement, including, but not limited to: source of funds, income levels, and an account holder or their legal agent's authority to act on behalf of the account, among other information. This helps us determine the appropriateness of our planning and/or investment strategies for your portfolio.

### ***Financial Planning Services***

Financial planning services may be as broad-based or narrowly focused as you desire. The incorporation of most or all of the listed components allows not only a thorough analysis but also a refined focus of your plans so that the firm is able to assist you in reaching your goals and objectives.

### ***Cash Flow Analysis and Debt Management***

A review of your income and expenses will be conducted to determine your current surplus or deficit along with advice on prioritizing how any surplus should be used, or how to reduce expenses if they exceed your income. Advice may also be provided on which debts to pay off first based on factors such as the interest rate of the debt and any income tax ramifications. Recommendation may also be made with respect to appropriate cash reserves for emergencies and other financial goals, and a review of accounts (such as money market funds) for such reserves, plus strategies to save desired amounts.

### ***Risk Management***

A risk management review includes an analysis of your exposure to major risks that could have a significant adverse impact on your financial picture, such as premature death, disability, property and casualty losses, or the need for long-term care planning. Advice may be provided on ways to minimize such risks and about weighing the costs of purchasing insurance versus the benefits of doing so and, likewise, the potential cost of not purchasing insurance ("self-insuring").

### ***Employee Benefits***

A review and analysis is made as to whether you, as an employee, are taking the maximum advantage possible in your employee benefits, offers advice on your employer-sponsored retirement plan or stock options, among other benefits that may be available to you.

### ***Education Planning***

College funding advice may include projecting the amount that will be needed to achieve post-secondary education funding goals, along with savings strategies and the "pros-and-cons" of various college savings vehicles that are available. We are also available to review your financial picture as it relates to eligibility for financial aid or the best way to contribute to grandchildren, if appropriate. We require a one-hour minimum engagement.

### ***Tax Planning Strategies & Limited Tax Preparation Services***

Advice may include ways to minimize current and future income taxes as a part of your overall financial planning picture. For example, recommendations may be offered as to which type of account(s) or specific investments should be owned based in part on their "tax efficiency," with consideration that there is always a possibility of future changes to federal, state or local tax laws and rates that may impact your situation.

While Safe Harbor Financial Advisors, LLC does not prepare tax returns for our clients, we have a relationship with Reilly Law, PLC and our clients may engage that firm for the preparation of federal and state income tax returns at the client's request and with a separate engagement agreement with Reilly Law, PLC. Safe

Harbor clients are not charged a fee by Safe Harbor for the tax services provided by Reilly Law, PLC. The affiliation with Reilly Law, PLC for - personal income tax return preparation enables Safe Harbor to address financial planning issues related to their tax returns which helps our clients with a thorough, coordinated understanding of their finances.

### Retirement Planning

Retirement planning services typically include projections of your likelihood of achieving your financial goals, with financial independence usually the primary objective. For situations where projections show less than the desired results, a recommendation may include showing you the impact on those projections by making changes in certain variables (i.e., working longer, saving more, spending less, taking more risk with investments). If you are near retirement or already retired, advice may be given on appropriate distribution strategies to minimize the likelihood of running out of money or having to adversely alter spending during your retirement years.

### Estate Planning and Charitable Giving

Review and advice usually involves an analysis of your exposure to estate taxes and your current estate plan; determining whether you have a will, powers of attorney, trusts and other related documents. Advice may include ways to minimize or avoid future estate taxes by implementing appropriate estate planning strategies such as the use of applicable trusts and/or gifting.

### Investment Consultation

Investment consultation services often involve providing information on the types of investment vehicles available, employee retirement plans and/or stock options, investment analysis and strategies, asset selection and portfolio design, as well as assisting you with your investment account if it is maintained at another broker/dealer or custodian. The strategies and types of investments that may be recommended are further discussed in Item 8 of this brochure.

Where appropriate, written investment guidelines will be prepared for you that reflect your investment objectives, time horizon, tolerance for risk, as well as any account constraints you may have for your portfolio. These guidelines will be designed to be specific enough to provide future guidance while allowing flexibility to work with changing market conditions.

Following our review and/or plan development, we may recommend that you engage an institutional investment manager to serve as your portfolio manager. Note that we are not compensated by the investment manager for this referral. Prior to recommending another investment manager, we will conduct what we believe to be an appropriate level of due diligence that includes ensuring the investment manager is appropriately registered or notice-filed within your state of residence. You may be required to maintain a minimum account size to be eligible for their services, and investment managers may require a higher asset-level to invest in their program. We will inform you in advance of each manager's minimum investment criteria.

Under this type of engagement, we will gather input from you about your financial situation, investment objectives, reasonable restrictions you may want to impose on the management of the account, and we will then provide this information to the investment manager to develop your portfolio. They will invest on behalf of the account in accordance with the strategies set forth in their own disclosure documents which will be provided to you in advance. The investment manager typically assumes discretionary authority over an account, and some of these programs may not be available for those clients who prefer an account to be managed under a nondiscretionary engagement or whom may have other unique account restrictions.

At least annually thereafter, we will review with you that investment manager from both a compliance and performance perspective to determine whether the selected investment manager remains an appropriate fit for your portfolio.

#### *Business Consultation*

Safe Harbor Financial Advisors, LLC is available to assist businesses in a variety of ways, to include risk management, general financial advice, as well as various benefit programs that can be structured to meet both business and personal retirement goals of business owners or key personnel.

#### *Ongoing Service Programs and Periodic Reviews*

Clients in our Pierside (retainer) Service Program have scheduled reviews at various times during the year where we assess their current financial circumstances and work with clients on any changes needed in their financial planning. For our other clients it is strongly urged that you notify the firm of any change in your circumstances, and to schedule a review any time there is such a change. An annual review should be considered even if there is not a substantial change, since tax and estate laws as well as investment vehicles are ever-evolving. Additional information involving review services may be found in Item 13.

#### *Educational Workshops and Seminars*

We may offer financial educational sessions for those desiring general advice on personal finance and investing. Topics may include issues related to financial planning, college funding, estate planning, retirement strategies, or various other current economic and investment topics. Our complimentary workshops are educational in nature, require no commitment on the part of attendees, and do not involve the sale of insurance or investment products. Information presented will not be based on any one person's need nor do we provide individualized investment advice to attendees during our general sessions.

#### Client-Tailored Services and Client-Imposed Restrictions

##### ***Comprehensive/Broad-Based v. Modular Financial Planning***

A broad-based or comprehensive plan is an endeavor that requires detail, and certain variables can affect the cost involved in the development of the plan, to include: the quality of your own records, complexity and number of current investments, diversity of insurance products and employee benefits you currently hold, size of the potential estate, special needs of the client or their dependents, among others. While certain broad-based plans may require 10 or more hours to complete, complex plans may require more than 20 hours. Alternatively, you may request that the firm concentrate on reviewing only a specific area (modular planning), such as college funding, a portfolio allocation, or evaluating the sufficiency of your retirement plan. Note that when these services focus only on certain areas of your interest, your overall situation or needs may not be fully addressed due to limitations you may have established.

Whether a broad-based or modular plan has been created for you per your request, you will receive a summary of recommendations, offered guidance on the implementation of some or all of them, as well as an offer for periodic reviews thereafter. In all instances involving financial planning services, you will retain full discretion over all implementation decisions and are free to accept or reject any recommendation that has been made.

Unless stated otherwise in your agreement with the firm, upon completion of your plan and its presentation or delivery of investment advice your financial planning engagement is typically concluded. It is recommended that you return for periodic reviews.

The Safe Harbor Pierside Service Program is a comprehensive financial planning for a fixed fee (sometimes referred to a retainer fee. See Item 5 below) over the course of one year. Safe Harbor attempts to break down financial planning into manageable pieces to encourage clients to follow through with recommendations and steadily progress toward their financial goals. Clients will typically have six to eight scheduled meetings during the initial year, depending on their individual situation, and generally two or three scheduled meetings during renewal years. Meetings are generally in-person, but may be conducted by telephone or through other secure remote meeting technology, depending on client availability and preference. In addition to scheduled meetings, additional face-to-face, e-mail, and/or phone consultations are included at no additional charge. In renewal years, meetings are generally less frequent and topics are often combined.

### ***Investment Account Restrictions***

As stated in your written investment guidelines, we will account for any reasonable restrictions you may require for the management of your investment account(s). For example, you may prefer to avoid certain types of holdings within your portfolio (e.g., no “sin stocks” or international stocks). Please note that it will remain your responsibility to promptly notify the firm if there is any change in your financial situation and/or investment objectives for the purpose of reviewing, evaluating or revising previous account restrictions or investment recommendations. Since Safe Harbor does not directly manage client assets these restrictions are addressed in our planning recommendations to clients.

### **Wrap Fee Programs**

The firm does not sponsor or serve as a portfolio manager in an investment program involving wrapped fees.

### **Client Assets Under Management**

Due to the type of advisory services Safe Harbor Financial Advisors, LLC provides, there are no reportable client assets directly under firm management.<sup>2</sup>

### **General Information**

Safe Harbor Financial Advisors, LLC will use its best judgment and good faith effort in rendering advisory services to you. However, the firm cannot warrant or guarantee any particular level of account performance, that your account will be profitable over time, or that some or all of your planning goals will be met. Past performance is not necessarily indicative of future results.

Except as may otherwise be provided by law, Safe Harbor Financial Advisors, LLC will not be liable to the client, heirs, or assignees for any loss an account may suffer by reason of an investment decision made or other action taken or omitted in good faith by him or his firm with that degree of care, skill, prudence and diligence under the circumstances that a prudent person acting in a fiduciary capacity would use; any loss arising from adherence to your direction or your attorney-in-fact may provide; any act or failure to act by a service provider maintaining your investment account. Federal and state securities laws impose liabilities under certain circumstances on persons who act in good faith and, therefore, nothing contained in this document shall constitute a waiver of any rights that you may have under federal and state securities laws.

---

<sup>2</sup> The term “assets under management” per the SEC’s *General Instructions for Part 2 of Form ADV*.



## **Item 5 - Fees and Compensation**

Forms of payment are based on the types of services being provided, term of service, etc., and will be stated in your engagement agreement with our firm. Safe Harbor Financial Advisors, LLC does not accept cash, money orders or similar forms of payment for its engagements.

### **Method of Compensation and Fee Schedule**

#### ***Hourly Fees***

The firm may be engaged for its financial planning services under an hourly fee arrangement. The hourly rate is \$250 per hour; billed in 15-minute increments and a partial increment (e.g., 10 minutes) may be treated as a whole increment. Prior to entering into an agreement with the firm you will receive an estimate of the overall cost based on your requirements and the time involved. The firm has a minimum fee of \$500 for client engagements.

#### ***Fixed Fee***

We offer financial planning services on a fixed fee basis ranging up to \$4,000. The fee takes into consideration factors such as the complexity of your financial profile, the depth of services to be provided through the engagement, assets that comprise your overall portfolio, number of individual accounts comprising the portfolio, whether our firm will be assisting in executing transactions for your investment account(s), time involved in the engagement, etc.

#### ***Subscription/Retainer Fee***

The firm also currently offers clients the option of a subscription or retainer fee engagement as an ongoing “financial concierge” type service model. The firm refers to this in its marketing materials as our “Pierside Service Level” to distinguish it from our traditional hourly/project fee service model that we refer to now as the “Anchorage Service Level.” The retainer fee engagement is designed for those clients who would like the firm’s assistance over the course of the year after they have been presented with their action plan.

For Pierside Service Program clients, Safe Harbor uses an annual fixed fee for services, often referred to as a retainer fee. The retainer fee is calculated annually and payable in quarterly installments, in advance. Retainer fees are based on a combination of income, assets, and overall complexity of clients’ financial situation. Retainer fees will increase as income and/or net worth increases.

Complexity includes the following factors: business ownership, self-employed vs. wage-earner, married vs. single, composition of portfolio, partnership income, pension options, family composition and history, and ownership of rental property. Fees are always disclosed in advance of entering into a client agreement.

The initial year retainer fee ranges from \$10,000 to \$40,000 based on income, assets, complexity of financial situation, and services needed, and will vary from client to client. There is a minimum annual fee of \$10,000 for all Pierside Service Program clients. Renewal year retainers may be discounted based on the complexity of a clients’ situation and will be discussed and fully disclosed to the client prior to renewal.

Fees are invoiced and may be paid by check or, alternatively, at the option of the Client, fees may be paid by direct debit or ongoing credit or debit card authorization using a third-party provider for client security.

### ***Discounting Fees***

The services to be provided to you and their specific fees will be detailed in your engagement agreement. Published fees may be discounted at the discretion of Mr. Reilly but they are not negotiable. The firm typically provides a discount to both active and retired military, veterans, civil servants, first responders, teachers, and similar groups.

The firm strives to offer fees that are fair and reasonable that take into account the experience of its planning and advisory team and the services to be provided to you; however, similar services may be made available from others and potentially at a lesser fee.

### **Client Payment of Fees**

We require a deposit of one-half the estimated fee to initiate the engagement or \$500, whichever is less. The remaining fee amount is due upon our delivery of your plan or advice. Fees may be paid by personal or bank check from a US-based financial institution, by major credit cards, or by electronic transaction services via a qualified, unaffiliated processor. Retainer fees for Pierside clients are paid on a quarterly basis as set forth above.

### **Additional Client Fees**

Any transactional or service fees (sometimes termed *brokerage fees*) assessed by a selected service provider (such as your account custodian), individual retirement account fees, qualified retirement plan or account termination fees will be borne by the account holder and are per those provided in current, separate fee schedules of any selected service provider. Fees that you pay to our advisory firm for its services are separate from charges that you may be assessed from mutual funds, exchange-traded funds (ETFs), exchange-traded notes (ETNs) or other similar investments.

Per annum interest at the current maximum statutory rate may be assessed on fee balances due more than 30 days; we may refer past due accounts to collections for processing. We reserve the right to suspend some or all services once an account is deemed past due.

Additional information about the firm's fees in relationship to its business practices is noted in Item 12 of this document.

### **External Compensation for the Sale of Securities to Clients**

We are a fee-only firm and we do not charge or receive a commission or mark-up on any client purchases, nor will the firm or an associate be paid a commission on your purchase of a securities holding or insurance product that may be recommended to you. We do not receive "trailer" or SEC Rule 12b-1 fees from an investment company that may be recommended to you. Fees charged by such issuers are detailed in prospectuses or product descriptions and you are encouraged to read these documents before investing. Our firm and its associates receive none of these described or similar fees or charges.

You will always have the option to purchase recommended or similar investments through your selected service provider.

### **Termination of Services**

As set forth in our engagement agreements, either party may terminate the agreement at any time, which will typically be in writing. If you verbally notify our firm of the termination and, if in two business days following this notification we have not received your notice in writing, we will make a written notice of the

termination in our records and send you our own termination notice as a substitute. Our firm will not be responsible for future services upon receipt of a termination notice.

Pierside Service Program clients may terminate their engagement with Safe Harbor at the end of each quarter prior to the payment of their next quarterly retainer installment, and will be entitled to the prompt refund of any unearned fees.

If our Form ADV Part 2 firm brochure was not delivered to you at least 48 hours prior to entering into the investment advisory contract, then you have the right to terminate the engagement without fee or penalty within five business days after entering into the agreement. If a financial planning client terminates our services after this five-day time period, the client will be assessed fees at the firm's current hourly rate for any time incurred in the preparation of the client's analysis or plan. Retainer services clients who terminate their agreement after the five-day period will be refunded the advance hourly analysis fee; thereafter the fee is prorated from the last billing period to the date of the firm's physical or constructive receipt of written termination notice. Safe Harbor Financial Advisors, LLC will return any prepaid, unearned fees (if any) within 30 days of the firm's receipt of termination notice. Our earned fees in excess of any prepaid deposit will be billed at the time of termination and will be due upon your receipt of our invoice.

If you have provided all requisite information and your financial plan has not been delivered to you within six months or less time from the date of the engagement, you will be entitled to a refund.

Our return of payment to a client for our services will only be completed via check from our firm's US-based financial institution; no credits or "transaction reversals" will be issued. Return of prepaid fees will never involve a personal check, cash or money order from our firm or from an associate of our firm.

#### **Item 6 - Performance-Based Fees and Side-By-Side Management**

The fees assessed by Safe Harbor Financial Advisors, LLC will not be based on a share of capital gains or capital appreciation (growth) of any portion of managed funds, also known as "performance-based fees." Advisory fees earned by the firm will not be based on side-by-side management, which refers to simultaneously managing accounts that do pay performance-based fees (such as a hedge fund) and those that do not. This type of arrangement, and the conflict of interest it may pose, does not conform to our firm's practices.

#### **Item 7 - Types of Clients**

Our firm provides advisory services to individuals from all walks of life and investment experience. We do not require minimum income, asset levels or other similar preconditions for our hourly or project fee services. Due to our minimum \$10,000 annual fee requirement for the Pierside Service Program, clients in that program will meet certain minimum criteria including stage of life (pre-retirees and those already retired) and asset levels.

We reserve the right to waive or reduce certain fees based on unique individual circumstances, special arrangements or pre-existing relationships. We may also decline our services to a prospective client for any non-discriminatory reason.

## **Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss**

### **Methods of Analysis and Investment Strategies**

#### ***Method of Analysis***

Safe Harbor Financial Advisors, LLC generally employs fundamental analyses; we evaluate economic factors including interest rates, the current state of the economy, or the future growth of an industry sector. Our research may be drawn from sources that include financial periodicals and other information published by economists and other industry professionals, annual reports, prospectuses and filings with regulatory bodies, as well as corporate rating services.

#### ***Investment Strategies***

We recognize that each client's needs and goals are different; subsequently portfolio strategies and underlying investment vehicles may vary. The following defines the common strategies utilized within a client's portfolio, *in alphabetical order*:

##### **Core + Satellite**

This strategy blends passive (or index) and active investing, where passive investments are used as the basis or "core" of a portfolio and actively-managed investments are added as "satellite" positions. With this strategy, the portfolio core holdings are indexed to potentially more efficient asset classes, while outlying selections are generally limited to active holdings in an attempt to outperform a particular category (sector), or a selection of particular positions to increase core diversification, or to improve portfolio performance.

For example, the core of a portfolio may be built with low-cost index funds or ETFs; satellite holdings would include active investment managers (mutual funds) with unique strategies that are believed capable of adding value beyond a stated benchmark over a full market cycle. The core may represent the majority of the total portfolio, using primarily index funds or index-based ETFs. The remainder of the portfolio may then employ mutual funds or ETFs that take a shorter duration to assist in the over-or-under allocation to specific sectors, regions, assets classes, etc.

##### **Modern Portfolio Theory**

Modern Portfolio Theory states that by employing securities whose price movements have historically low correlations, it is possible to create an efficient portfolio that can offer the highest expected return for a given level of risk, or one with the lowest level of risk for a given expected return. The practice of Modern Portfolio Theory does not employ market timing or stock selection methods of investing but rather a long term, buy-and-hold strategy with periodic rebalancing of the account to maintain desired risk levels.

#### ***Investment Vehicles Generally Recommended***

We will strive to create portfolios that contain investment vehicles that are diversified, tax-efficient, and low-cost investments whenever practical. Although it is common to find a broad range of index mutual funds or ETFs within a portfolio, certain accounts may necessitate holding actively-managed mutual funds, individual equities (stocks) and fixed income (bond) positions, as well as pre-existing holdings within a client portfolio when deemed appropriate.

##### **Risk of Loss**

The firm believes its strategies and investment recommendations are designed to produce the appropriate potential return for the given level of risk; however, there is no guarantee that an investment objective or planning goal will be achieved. Investing in securities involves risk of loss that clients should be prepared to

bear. We have offered examples of such risk in the following paragraphs, and we believe it is important that our clients review and consider each of them risk prior to investing.

### ***Company Risk***

When investing in securities, such as stocks, there is always a certain level of company or industry-specific risk that is inherent in each company or issuer. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. This is also referred to as *unsystematic risk* and can be reduced or mitigated through diversification.

### ***Core + Satellite Strategies***

Strategies involving Core + Satellite investing may have the potential to be affected by “active risk” (or “tracking error risk”), which might be defined as a deviation from a stated benchmark. Since the core portfolio attempts to closely replicate a stated benchmark, the source of the tracking error or deviation may come from a satellite portfolio or position, or from a “sample” or “optimized” index fund or ETF that may not as closely align the stated benchmark. In these instances, a portfolio manager may choose to reduce the weighting of a satellite holding, utilize very active satellites, or use a “replicate index” position as part of its core holdings to minimize the effects of the tracking error in relation to the overall portfolio.

### ***Failure to Implement***

As a financial planning client, you are free to accept or reject any or all of the recommendations made to you. While no advisory firm can guarantee future performance, no plan can succeed if it is not implemented. Clients who choose not to take the steps recommended in their financial plan may face an increased risk that their stated goals and objectives will not be achieved.

### ***Financial Risk***

Excessive borrowing to finance a business operation increases profitability risk 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.

### ***Fundamental Analysis***

The challenge involving fundamental analyses is that information obtained may be incorrect; the analysis may not provide an accurate estimate of earnings, which may be the basis for a security’s value. If a security’s price adjusts rapidly to new information, a fundamental analysis may result in unfavorable performance.

### ***Inflation Risk***

When any type of inflation is present, a dollar today will not buy as much as a dollar next year because purchasing power is eroding at the rate of inflation.

### ***Management Risk***

An investment with a firm varies with the success and failure of its investment strategies, research, analysis and determination of its portfolio. If an investment strategy were not to produce expected returns, the value of the investment would decrease.

### **Market Risk**

When the stock market as a whole or an industry as a whole falls, it can cause the prices of individual stocks to fall indiscriminately. This is also called *systemic* or *systematic* risk.

### **Passive Markets Theory**

A portfolio that employs a passive, efficient markets approach (representative of Modern Portfolio Theory) has the risk of generating lower-than-expected returns due to its broad diversification when compared to a portfolio more narrowly focused; the return on each type of asset is a deviation from the average return for the asset class. We believe this variance from the "expected return" is generally low under normal market conditions when a portfolio is made up of diverse, low or non-correlated assets.

### **Political Risk**

The risk of financial and market loss because of political decisions or disruptions in a particular country or region, and may also be known as "geopolitical risk."

### **Research Data**

When research and analyses are based on commercially available software, rating services, general market and financial information, or due diligence reviews, a firm is relying on the accuracy and validity of the information or capabilities provided by selected vendors, rating services, market data, and the issuers themselves. While our firm makes every effort to determine the accuracy of the information received, we cannot predict the outcome of events or actions taken or not taken, or the validity of all information researched or provided which may or may not affect the advice on or investment management of an account.

### **Socially Conscious Investing**

If you require your portfolio to be invested according to socially conscious principles, you should note that returns on investments of this type may be limited and because of this limitation you may not be able to be as well diversified among various asset classes. The number of publicly traded companies that meet socially conscious investment parameters is also limited, and due to this limitation, there is a probability of similarity or overlap of holdings, especially among socially conscious mutual funds or ETFs. Therefore, there could be a more pronounced positive or negative impact on a socially conscious portfolio, which could be more volatile than a fully diversified portfolio.

### Security-Specific Material Risks

#### **Equity (Stock) Risk**

Common stocks are susceptible to general stock market fluctuations and to volatile increases or decreases in value as market confidence in and perceptions of their issuers change. If an investor held common stock or common stock equivalents of any given issuer, they may be exposed to greater risk than if they held preferred stocks and debt obligations of the issuer.

#### **ETF and Mutual Fund Risk**

The risk of owning ETFs and mutual funds reflect their underlying securities (e.g., stocks, bonds, etc.). ETFs and mutual funds also carry additional expenses based on their share of operating expenses and certain brokerage fees, which may result in the potential duplication of certain fees. Certain funds may be too large

to move quickly in response to market fluctuations, meaning that investors may miss out on gains or be exposed to losses for a longer time than if they were in a more nimble portfolio.

### ***Fixed Income Risks***

Various forms of fixed income instruments, such as bonds, money market funds or bond funds may be affected by various forms of risk, including:

#### ***Credit Risk***

The potential risk that an issuer would be unable to pay scheduled interest or repay principal at maturity, sometimes referred to as “default risk.” Credit risk may also occur when an issuer’s ability to make payments of principal and interest when due is interrupted. This may result in a negative impact on all forms of debt instruments, as well as funds or ETF share values that hold these issues. Bondholders are creditors of an issuer and typically have priority to assets before equity holders (i.e., stockholders) when receiving a payout from liquidation or restructuring. When defaults occur due to bankruptcy, the type of bond held will determine seniority of payment.

#### ***Duration Risk***

Duration is a measure of a bond’s volatility, expressed in years to be repaid by its internal cash flow (interest payments). Bonds with longer durations carry more risk and have higher price volatility than bonds with shorter durations.

#### ***Interest Rate Risk***

The risk that the value of the fixed income holding will decrease because of an increase in interest rates.

#### ***Liquidity Risk***

The inability to readily buy or sell an investment for a price close to the true underlying value of the asset due to a lack of buyers or sellers. While certain types of fixed income are generally liquid (i.e., bonds), there are risks which may occur such as when an issue trading in any given period does not readily support buys and sells at an efficient price. Conversely, when trading volume is high, there is also a risk of not being able to purchase a particular issue at the desired price.

#### ***Reinvestment Risk***

With declining interest rates, investors may have to reinvest interest income or principal at a lower rate.

### ***Index Investing***

You will need to keep in mind that investment vehicles such as certain ETFs and indexed funds have the potential to be affected by “tracking error risk” (see earlier paragraph under *Core + Satellite Strategies*).

### ***QDI Ratios***

While many ETFs and index mutual funds are known for their potential tax-efficiency and higher “qualified dividend income” (QDI) percentages, there are asset classes within these investment vehicles or holding periods within that may not benefit. Shorter holding periods, as well as commodities and currencies (that may be part of an ETF or mutual fund portfolio), may be considered “non-qualified” under certain tax code provisions. A holding’s QDI will be considered when tax-efficiency is an important aspect of the client’s portfolio.

### **Item 9 - Disciplinary Information**

Neither the firm nor its management has been involved in any material criminal or civil action in a domestic, foreign or military jurisdiction, or an administrative enforcement action from any state or federal agency, or self-regulatory organization proceeding that would reflect poorly upon our offering advisory business or its integrity.

### **Item 10 - Other Financial Industry Activities and Affiliations**

Internal policies require associated persons to conduct business activities in a manner that avoids conflicts of interest between the firm and its clients, or that may be contrary to law. Safe Harbor Financial Advisors, LLC will provide disclosure to each client prior to and throughout the term of an engagement regarding any conflicts of interest involving its business relationships that might reasonably compromise its impartiality or independence.

Our advisory firm and its management are not registered nor have an application pending to register as a Financial Industry Regulatory Authority (FINRA) or National Futures Association (NFA) member firm or an associated person of these entities, nor are we required registered in that capacity. Neither our firm nor its management is or has a material relationship with any of the following types of entities:

- accounting firm or accountant
- bank, credit union or thrift institution, or their separately identifiable department or divisions
- insurance company or insurance agency
- pension consultant
- real estate broker or dealer
- sponsor or syndicator of limited partnerships
- trust company
- issuers of a security, to include investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund)

When it is appropriate to do so, and with your prior approval, we may recommend or partner with another unaffiliated registered investment advisor to offer their expertise involving your financial plan or investment allocation. We will first ensure an appropriate level of due diligence is conducted on the recommended advisor to include ensuring that other firm is appropriately registered or notice-filed within your state of residence. Please note that there would not be a referral fee paid nor would firms share in any fees that may be earned.

Upon your request, you may be provided a referral to various professionals, such as an accountant or insurance agent. While our referrals are based on the best information made available, we do not guarantee the quality or adequacy of the work provided by these referred professionals. There is not an agreement with these entities nor are referral fees paid to or received from these professionals for such informal referrals. Any fees charged by these other entities for their services are completely separate from fees charged by our firm.

Mr. Reilly is a practicing attorney and operates Reilly Law PLC of Occoquan, Virginia. Further information with regard to this other activity may be found in his Form ADV Part 2B brochure supplement that accompanies this document. Whether he is serving a client in one or more capacities, Mr. Reilly will disclose



in advance how he is being compensated and if there is a conflict of interest involving any advice or service being provided. At no time will there be *tying* between business practices and/or services; a condition where a client or prospective client would be required to accept one product or service which is conditional upon the selection of a second, distinctive tied product or service.

However, for clients in our Pierside Service Program, they have the opportunity to use Reilly Law, PLC for income tax return preparation but are not obliged to do so. Safe Harbor clients who choose this service will sign a separate engagement agreement with Reilly Law, PLC for tax services. The fee for tax return preparation is paid to Safe Harbor as part of the annual Program retainer fee and, in turn, Safe Harbor will compensate Reilly Law, PLC for their tax services. Pierside clients do not pay Reilly Law, PLC and have the option of using their own tax preparer or doing their own tax returns and the retainer fee to Safe Harbor is adjusted accordingly.

Although our firm's Rhode Island office may share space with an accounting firm, there is not an affiliation with the accounting practice nor does Safe Harbor Financial Advisors, LLC offer tax preparation services in or from that location.

George Reilly is a member of the Alliance of Comprehensive Planners (ACP). ACP is a non-profit organization that provides training and support through an alliance of fee-only comprehensive fiduciary financial planners. As a member of ACP, Safe Harbor has the right to use proprietary products and systems designed by ACP. ACP offers education in the form of in-person, web-based, and teleconferences (which may provide continuing education credits) and services produced by collaborative efforts of fee-only financial advisors.

George Reilly and Dolores Dorsett are both affiliate members of the National Association of Personal Financial Advisors (NAPFA), which requires that its members are fee-only and obtain a minimum of 60 continuing education credits every 2 years.

George Reilly is a member of the Financial Planning Association.

Dolores Dorsett is a member of the Garrett Planning Network, a nationwide Network of fee-only financial professionals who work with clients on an hourly or project fee basis as fiduciaries.

#### **Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

Safe Harbor Financial Advisors, LLC holds itself to a *fiduciary standard*, which means the firm and its associates will act in the utmost good faith, performing in a manner believed to be in the best interest of its clients. Our firm believes that business methodologies, ethics rules, and adopted policies are designed to eliminate or at least minimize material conflicts of interest and to appropriately manage any material conflicts of interest that may remain. You should be aware that no set of rules can possibly anticipate or relieve all material conflicts of interest. Our firm will disclose to its advisory clients any material conflict of interest relating to the firm, its representatives, or any of its employees which could reasonably be expected to impair the rendering of unbiased and objective advice.

#### **Code of Ethics Description**

The firm has adopted a Code of Ethics that establishes policies for ethical conduct for all its personnel, and accepts the obligation not only to comply with all applicable laws and regulations but also to act in an ethical and professionally responsible manner in all professional services and activities. Firm policies include prohibitions against insider trading, circulation of industry rumors, and certain political contributions, among others. We periodically review and amend our Code of Ethics to ensure that they remain current, and we

require firm personnel to annually attest to their understanding of and adherence to the firm's Code of Ethics. A copy of the firm's Code of Ethics is made available to any client or prospective client upon request.

### CFP® Principles

Associates that are CERTIFIED FINANCIAL PLANNER™ Practitioners, such as Mr. Reilly and Ms. Dorsett, also adhere to the Certified Financial Planner Board of Standards, Inc.'s Code of Ethics. These principles include:

#### ***Principle 1 – Integrity***

An advisor will provide professional services with integrity. Integrity demands honesty and candor which must not be subordinated to personal gain and advantage. Advisors are placed by clients in positions of trust by clients, and the ultimate source of that trust is the advisor's personal integrity. Allowance can be made for innocent error and legitimate differences of opinion; but integrity cannot co-exist with deceit or subordination of one's principles.

#### ***Principle 2 – Objectivity***

An advisor will provide professional services objectively. Objectivity requires intellectual honesty and impartiality. Regardless of the particular service rendered or the capacity in which an advisor functions, an advisor should protect the integrity of their work, maintain objectivity and avoid subordination of their judgment.

#### ***Principle 3 – Competence***

Advisors will maintain the necessary knowledge and skill to provide professional services competently. Competence means attaining and maintaining an adequate level of knowledge and skill, and applies that knowledge effectively in providing services to clients. Competence also includes the wisdom to recognize the limitations of that knowledge and when consultation with other professionals is appropriate or referral to other professionals necessary. Advisors make a continuing commitment to learning and professional improvement.

#### ***Principle 4 – Fairness***

Advisors will be fair and reasonable in all professional relationships. Fairness requires impartiality, intellectual honesty and disclosure of material conflict(s) of interest. It involves a subordination of one's own feelings, prejudices and desires so as to achieve a proper balance of conflicting interests. Fairness is treating others in the same fashion that you would want to be treated and is an essential trait of any professional.

#### ***Principle 5 – Confidentiality***

Advisors will protect the confidentiality of all client information. Confidentiality means ensuring that information is accessible only to those authorized to have access. A relationship of trust and confidence with the client can only be built upon the understanding that the client's information will remain confidential.

#### ***Principle 6 – Professionalism***

Advisors will act in a manner that demonstrates exemplary professional conduct. Professionalism requires behaving with dignity and courtesy to all who use their services, fellow professionals, and those in related professions. Advisors cooperate with fellow advisors to enhance and maintain the profession's public image and improve the quality of services.

## ***Principle 7 – Diligence***

Advisors will provide professional services diligently. Diligence is the provision of services in a reasonably prompt and thorough manner, including the proper planning for, and supervision of, the rendering of professional services.

### Statement regarding Our Privacy Policy

Safe Harbor Financial Advisors, LLC respects the privacy of all clients and prospective clients; both past and present (collectively termed “customers” per federal guidelines). It is recognized that you have entrusted our firm with nonpublic personal information and it is important that both access persons and customers are aware of firm policy concerning what may be done with that information.

The firm collects personal information about customers from the following sources:

- Information clients provide to complete their financial plan or investment recommendation;
- Information clients provide in engagement agreements, account applications, and other documents completed in connection with the opening and maintenance of their accounts;
- Information customers provide verbally; and
- Information received from service providers, such as custodians, about client transactions.

The firm does not disclose nonpublic personal information about our customers to anyone, except in the following circumstances:

- When required to provide services our clients have requested;
- When our customers have specifically authorized us to do so;
- When required during the course of a firm assessment (i.e., independent audit); or
- When permitted or required by law (i.e., periodic regulatory examination)

Within the firm, access to customer information is restricted to personnel that need to know that information. All access persons and service providers understand that everything handled in firm offices are confidential and they are instructed to not discuss customer information with someone else that may request information about an account unless they are specifically authorized in writing by the customer to do so. This includes, for example, providing information about a spouse’s IRA or to adult children about parents’ accounts, etc.

To ensure security and confidentiality, the firm maintains physical, electronic, and procedural safeguards to protect the privacy of customer information.

The firm will provide you with its privacy policy on an annual basis and at any time, in advance, if firm privacy policies are expected to change.

### Investment Recommendations Involving a Material Financial Interest and Conflicts of Interest

Neither the firm nor an associate is authorized to recommend to a client, or effect a transaction for a client, involving any security in which the firm or a “related person” (e.g., associate, an immediate family member, etc.) has a material financial interest, such as in the capacity as a board member, underwriter or advisor to an issuer of securities, etc.

An associate is prohibited from borrowing from or lending to a client unless the client is an approved institutional lender.

As previously noted advisory firm personnel may also serve in other business capacities, such as a practicing attorney; certain clients may have multiple business relationships with that associate. Each associate will describe how they are to be compensated for their role, the conflict of interest the role or service to be provided may involve (such as the prospect for dual compensation and whether there is an incentive on their part to do so), and if there may be alternative providers for this service/product. The firm remains focused on ensuring that its offerings are based upon the needs of its clients; not resultant fees received for such services. We want to also note that you are under no obligation to act on a recommendation from our firm and, if you elect to do so, you are under no obligation to complete them through our firm or a service provider whom we may recommend.

#### Firm/Related Persons' Purchases of Same Securities Recommended to Clients and Conflicts of Interest

Safe Harbor Financial Advisors, LLC does not trade for its own account (e.g., proprietary trading). The firm's related persons may buy or sell securities that are the same as, similar to, or different from, those recommended to clients for their accounts, and this poses a conflict of interest. We mitigate this conflict by ensuring that we have policies and procedures in place to ensure that the firm or a related person will not receive preferential treatment over a client.

In an effort to reduce or eliminate certain conflicts of interest involving personal trading (i.e., trading ahead of client recommendation, etc.), firm policy may require that we periodically restrict or prohibit related parties' transactions. Any exceptions must be approved by the firm, and we will maintain personal securities transaction records as required.

#### **Item 12 - Brokerage Practices**

##### Factors Used to Select Broker/Dealers for Client Transactions

Safe Harbor Financial Advisors, LLC will not have physical or constructive custody of your assets. Your account must be maintained by a qualified custodian (generally a broker/dealer, bank or trust company) that is frequently reviewed for its capabilities to serve in that capacity by their respective industry regulatory authority. Our firm is not a custodian nor is there an affiliate that is a custodian.

We do not require that you open and maintain an account with a specific custodian. You may engage the custodian or broker of your choice. Should you ask us to suggest a provider to you, our recommendation will be based on your needs, overall cost, and ease of use.

We frequently recommend TD Ameritrade, Inc., Member FINRA/SIPC, as an account custodian but we do not have a written agreement in place with their firm except that we are authorized "view-only" access to client accounts at TD Ameritrade with prior client approval. This limited access does not permit trading and is not considered a form of custody of client assets. Also note that you will open your account with your custodian of choice by entering into an account agreement directly with them. We do not open the account for you but we can assist you in that process.

Our firm prohibits non-cash compensation (sometimes termed "soft dollars"), and we will not "pay up" to receive additional services from a service provider. All compensation paid to the firm is paid directly by the client; therefore, the firm does not receive any additional compensation when its clients engage a recommended custodian or any other service provider.

### Best Execution

In light of the nature of our firm's advisory services, it is believed "best execution" review obligations with regard to client transactions are not required under current industry guidelines.

### Directed Brokerage

Safe Harbor Financial Advisors, LLC does not require or engage in directed brokerage involving client accounts. Clients are free to use any particular service provider to execute their transactions and they are responsible for negotiating any terms or arrangements for their account. Our firm will not be obligated to conduct due diligence of the client's selected service provider, seek better execution services or prices from any provider, or aggregate client transactions for trade execution. Since your transactions are completed at a service provider of your choice, you may potentially pay more for your transaction or experience wider price spreads.

### Aggregating Securities Transactions for Client Accounts

Our firm is not engaged for continuous investment supervisory services, nor do we have discretionary authority over an account and, therefore, aggregating ("batching") trades on behalf of client accounts will not be conducted. Since your transactions are completed independently at a service provider of your choice, you may potentially pay more for your transaction or experience wider price spreads than those accounts where trades have been aggregated.

## **Item 13 - Review of Accounts**

### Schedule for Periodic Review of Client Accounts

Periodic financial check-ups or reviews are recommended and we believe they should occur at least on an annual basis whenever practical. Reviews will be conducted by Mr. Reilly or another firm associate and normally involves an analysis and possible revision of your previous financial plan or investment allocation. A copy of revised plans or asset allocation reports will be provided to you upon request. Unless provided for in your engagement agreement, reviews are generally conducted under a new or amended agreement and will be assessed at the then published rate.

Clients who engage the firm for its retainer services program will have scheduled periodic reviews with one or more of the firm's associates to examine their current portfolio and make recommendations on possible revisions or rebalancing of the portfolio. Retainer engagements are specific to this periodic review process and are customized for each client.

### Review of Client Accounts on Non-Periodic Basis

You should contact our firm for additional reviews when you anticipate or have experienced changes in your financial situation (i.e., changes in employment, an inheritance, the birth of a new child, etc.), or if you prefer to modify investment account requirements. Non-periodic reviews are generally conducted by Mr. Reilly or another firm associate, which may occur under a new or amended agreement, and will be assessed at our published hourly rate. A copy of revised plans or asset allocation reports will be provided to the client upon request.

### Content of Client Provided Reports and Frequency

If you have opened and/or maintained an investment account, you will receive account statements and trade confirmations sent directly from mutual fund companies, transfer agents, custodians or brokerage

companies where your investments are held. We urge you to carefully review these account statements for accuracy and clarity, and to ask questions when something is not clear.

Our firm may provide portfolio “snapshots” when engaged to provide periodic asset allocation or investment advice. We do not provide account performance reports through our advisory engagements.

#### **Item 14 - Client Referrals and Other Compensation**

We do not engage in solicitation activities involving unregistered persons. As stated in Item 10, we may refer a client to or receive a referral from another registered investment advisor when a unique perspective or professional service is required for that client. We do not share in the advisory fee earned, there is not a referral fee paid to or received from the other party, nor is there an established *quid pro quo* for such engagements. Each client retains the option to accept or deny such referral or subsequent services.

An associate of the firm may hold individual membership or serve on boards or committees of professional industry associations. Generally, participation in any of these entities require membership fees to be paid, adherence to ethical guidelines, as well as in meeting experiential and educational requirements. A benefit these entities may provide to the investing public is the availability of online search tools that allow interested parties (prospective clients) to search for individual participants within a selected state or region. These passive websites may provide means for interested persons to contact a participant via electronic mail, telephone number, or other contact information, in order to interview the participating member. The public may also choose to telephone association staff to inquire about an individual within their area, and would receive the same or similar information.

A portion of these participant’s membership fees may be used so that their name will be listed in some or all of these entities’ websites (or other listings). Prospective clients locating our advisory firm or an associate via these methods are not actively marketed by the noted associations. Clients who find our firm in this way do not pay more for their services than clients referred in any other fashion. The firm does not pay these entities for prospective client referrals, nor is there a fee-sharing arrangement reflective of a solicitor engagement.

#### **Item 15 - Custody**

Your assets will be maintained by an unaffiliated, qualified custodian, such as a bank, broker/dealer, mutual fund companies or transfer agent. Your assets are not physically maintained by our advisory firm nor any associate of the firm. In keeping with this policy involving client funds or securities, Safe Harbor Financial Advisors, LLC:

- Restricts the firm or an associate from serving as trustee or having general power of attorney over a client account;
- Prohibits an associate from having authority to directly withdraw securities or cash assets from a client account;
- Does not accept or forward client securities (i.e., stock certificates) erroneously delivered to the firm;
- Will not collect advance fees of \$500 or more for services that are to be performed six months or more into the future;
- Will not authorize an associate to have knowledge of a client’s account access information (i.e., online 401(k), brokerage or bank accounts) if such access might result in physical control over client assets.

You will be provided with transaction confirmations and summary account statements sent directly to you from your custodian of record. Typically, statements are provided on at least a quarterly basis or as transactions occur within your account. You are urged to carefully review your account statements that you have received directly from your custodian. Safe Harbor Financial Advisors, LLC will not create an account statement for you or serve as the sole recipient of your account statements.

#### **Item 16 - Investment Discretion**

Safe Harbor Financial Advisors, LLC does not serve client accounts under a discretionary authority agreement. Should you ask us to assist in any trade execution (including account rebalancing), it will only be done with your selected service provider and with your prior approval; termed in the securities industry as *non-discretionary authority (basis)*. This is typically done through your execution of your custodian of record's limited power of attorney form that specifically restricts our ability to execute trades on your behalf. Depending on your custodian of record's internal policies, and with your prior authorization, we may be granted "view only" access to your account in order to assist in your allocation recommendations.

#### **Item 17 - Voting Client Securities**

You may periodically receive proxies or other similar solicitations sent directly from your selected custodian or transfer agent. Should we receive a duplicate copy, note that we do not forward these or any correspondence relating to the voting of your securities, class action litigation, or other corporate actions.

Our firm does not vote proxies on your behalf. We will not offer guidance involving any claim or potential claim in any bankruptcy proceeding, class action securities litigation or other litigation or proceeding relating to securities held at any time in a client account, including, without limitation, to file proofs of claim or other documents related to such proceeding, or to investigate, initiate, supervise or monitor class action or other litigation involving client assets. However, we will answer limited questions with respect to what a proxy voting request or other corporate matter may be and how to reach the issuer or their legal representative.

You will maintain exclusive responsibility for directing the manner in which proxies solicited by issuers of securities that are beneficially owned by you shall be voted, as well as making all other elections relative to mergers, acquisitions, tender offers or other legal matters or events pertaining to your holdings. You should consider contacting the issuer or your legal counsel involving specific questions you may have with respect to a particular proxy solicitation or corporate action.

#### **Item 18 - Financial Information**

Our advisory firm will not take physical or constructive custody of your assets, we do not serve accounts on a discretionary basis, nor will our engagements require that we collect fees from you of \$500 or more for our advisory services that we have agreed to perform six months or more into the future.

Neither our firm nor its management serve as general partner for a partnership or trustee for a trust in which the firm's advisory clients are either partners of the partnership or beneficiaries of the trust.

The firm and its management do not have a financial condition likely to impair its ability to meet commitments to clients. The firm and its management have not been the subject of a bankruptcy petition at any time.

Due to the nature of our firm's services and operational practices, an audited balance sheet is not required per statute nor included with this brochure.

**Item 19 - Requirements for State-Registered Advisers**

For further information involving firm principal executive and management personnel, their business activities as well as material conflicts of interest, please refer to areas previously disclosed in Items 6 and 9 through 11 of this brochure, as well as the accompanying Form ADV Part 2B brochure supplement that immediately follows this page.

**Business Continuity Plan**

Our firm maintains a business continuity and succession contingency plan that is integrated within the organization to ensure it appropriately responds to events that pose a significant disruption to its operations. A statement concerning the current plan is available under separate cover.





Post Office Box 960  
Ocoquan, VA 22125  
(703) 829-7233

21 King Charles Drive  
Portsmouth, RI 02871  
(401) 684-1454

Facsimile: (571) 748-3266  
[www.safeharborfinancialadvisors.com](http://www.safeharborfinancialadvisors.com)  
[www.safeharbor-ri.com](http://www.safeharbor-ri.com)

**George Francis Reilly, JD, LLM, CFP®**

Principal/Chief Compliance Officer  
Investment Advisor Representative  
Managing Member

Form ADV Part 2B  
Brochure Supplement  
March 17, 2022

**This brochure provides information about George F. Reilly that supplements Safe Harbor Financial Advisors, LLC Form ADV Part 2A firm brochure. You should have received a copy of that brochure. Please contact Mr. Reilly at (703) 829-7233 if you did not receive the full brochure or if you have any questions about the contents of this supplement. Additional information about George F. Reilly is available on the Securities and Exchange Commission's (SEC) website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **Item 2 – Educational Background and Business Experience**

Regulatory guidance requires the firm to disclose relevant post-secondary education and professional training for each principal executive and associate of the firm, as well as their business experience for at least the most recent five years.

### **Principal Executive Officers and Management Persons**

#### ***Principal/Chief Compliance Officer/Investment Advisor Representative/Managing Member***

#### **George Francis Reilly**

Year of Birth: 1960 | CRD Number: 6346467

#### ***Educational Background and Business Experience***

##### **Educational Background**

CERTIFIED FINANCIAL PLANNER™ Practitioner,<sup>1</sup> CFP®, Certified Financial Planner Board of Standards, Inc.  
Masters of Law in Tax and Estate Planning (LLM), George Washington University School of Law; Washington, DC  
Juris Doctor (JD), St. John's University School of Law; Jamaica, NY  
Bachelor of Science in Environmental Biology, Manhattan College; Bronx, NY

##### **Business Experience**

Safe Harbor Financial Advisors, LLC (2009-Present)  
Occoquan, VA & Portsmouth, RI  
Managing Member/Principal (2009-Present)  
Chief Compliance Officer/Investment Advisor Representative (2014-Present)

Reilly Law, PLC (2010-Present)  
Occoquan, VA  
Attorney/Managing Member

Zeiders Enterprises, Inc. (2014-2018)  
Woodbridge, VA  
Personal Financial Counselor

Department of Defense (2007-2014)  
Washington, DC  
Attorney/Auditor/Compliance Inspector

## **Item 3 – Disciplinary Information**

Registered investment advisors are required to disclose certain material facts about its associated personnel regarding any legal or disciplinary events, including criminal or civil action in a domestic, foreign or military court, or any proceeding before a state, federal or foreign regulatory agency, self-regulatory organization, or suspension or sanction by a professional association for violation of its conduct rules, that would be material to your evaluation of each officer or a supervised person providing investment advice. Mr. Reilly has not been the subject of any such event.

#### **Item 4 – Other Business Activities**

Principal executives, managers, and investment advisor representatives are required to disclose outside business activities that account for a significant portion of their time or income, or that may present a conflict of interest with their advisory activities.

Mr. Reilly is a practicing attorney and operates Reilly Law, PLC of Fairfax, Virginia. This activity may involve 160 or more hours per month. Certain clients may have more than one business relationship with Mr. Reilly, as an attorney of Reilly Law, PLC or as an associate of Safe Harbor Financial Advisors, LLC. He will disclose (in advance of either service) the capacity in which he is serving a client, to include the conflict of interest the role or service to be provided may incur. Clients are reminded that there is not a requirement to accept a service that is conditional upon the selection of a second, distinctive tied service.

Mr. Reilly may also serve as an outsourced financial planner to other investment advisors. These activities are conducted under independent contractor agreements with those other entities, do not involve services requiring dual registration, may involve up to 10% or more of his time each month including during traditional business hours, and are not perceived as a conflict of interest with advisory firm clients.

Mr. Reilly is not registered, nor has an application pending to register, as a registered representative of a broker/dealer or associated person of a futures commission merchant, commodity pool operator, or commodity trading advisor. Therefore, he does not receive commissions, bonuses or other compensation based on the sale of securities, including that as a registered representative of a broker/dealer or the distribution or service (“trail”) fees from the sale of mutual funds.

Neither Mr. Reilly nor his firm has a material relationship with the issuer of a security.

#### **Item 5 – Additional Compensation**

Neither Mr. Reilly nor his advisory firm is compensated for advisory services involving performance-based fees, and firm policy does not allow associated persons to accept or receive additional economic benefit, such as sales awards or other prizes, for providing advisory services to firm clients.

#### **Item 6 – Supervision**

Mr. Reilly serves as the firm’s Chief Compliance Officer. Because supervising one’s self poses a conflict of interest, the firm has adopted policies and procedures to mitigate this conflict, and may use the services of unaffiliated professionals to ensure the firm’s oversight obligations are met. Mr. Reilly will monitor firm activities and the advice provided by performing the following ongoing reviews:

- Case file documentation when the client relationship is established
- Review of periodic account transactions
- Periodic assessment of your financial situation, objectives, and investment needs
- A review of client correspondence on an as needed basis
- Periodic firm assessment

Questions relative to the firm, its services or this Form ADV Part 2 brochure may be made to the attention of Mr. Reilly at (703) 829-7233. Additional information about the firm, other advisory firms, or an associated investment advisor representative is available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

A search of this site for firms may be accomplished by firm name or a unique firm identifier, known as an IARD number. The IARD number for Safe Harbor Financial Advisors, LLC is 171734. The business and

disciplinary history, if any, of an investment advisory firm and its representatives may also be obtained by calling the Virginia Division of Securities & Retail Franchising at (804) 371-9187 or the Rhode Island Department of Business Regulation at (401) 462-9500.

### **Item 7 – Requirements for State-Registered Advisers**

There have been no awards, sanctions or other reportable matters involving Mr. Reilly or our advisory firm in a self-regulatory, administrative, or arbitration proceeding. Neither Mr. Reilly nor his firm has been the subject of a bankruptcy petition.

### **Information about Professional Designations/Education**

<sup>1</sup>The **CERTIFIED FINANCIAL PLANNER™**, **CFP®** and federally registered CFP (with flame design) marks (collectively, the “CFP® marks”) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP Board”).

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 85,400 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board’s studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor’s Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board’s financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination – Pass the comprehensive CFP® Certification Examination. The examination includes case studies and client scenarios designed to test one’s ability to correctly diagnose financial planning issues and apply one’s knowledge of financial planning to real world circumstances;
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board’s *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board’s enforcement process, which could result in suspension or permanent revocation of their CFP® certification.



Safe Harbor Financial Advisors, LLC  
Post Office Box 960  
Occoquan, VA 22125

Telephone: (703) 829-7233  
Facsimile: (571) 748-3266  
[www.safeharborfinancialadvisors.com](http://www.safeharborfinancialadvisors.com)

**Dolores M. Dorsett, M.S., M.A., CFP<sup>®</sup>, RICP<sup>®</sup>**  
Financial Planner  
Investment Advisor Representative

Form ADV Part 2B  
Brochure Supplement  
March 17, 2022

**This brochure provides information about Dolores M. Dorsett that supplements Safe Harbor Financial Advisors, LLC Form ADV Part 2A firm brochure. You should have received a copy of that brochure. Please contact Mr. Reilly at (703) 829-7233 if you did not receive the full brochure or if you have any questions about the contents of this supplement. Additional information about Dolores M. Dorsett is available on the Securities and Exchange Commission's (SEC) website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **Item 2 – Educational Background and Business Experience**

Regulatory guidance requires the firm to disclose relevant post-secondary education and professional training for each principal executive and associate of the firm, as well as their business experience for at least the most recent five years.

### **Principal Executive Officers and Management Persons**

#### ***Financial Planner/Investment Advisor Representative***

##### **Dolores Melina Dorsett**

Year of Birth: 1965 | CRD Number: 6556258

#### ***Educational Background and Business Experience***

##### ***Educational Background***

CERTIFIED FINANCIAL PLANNER™ Practitioner, (CFP®)<sup>1</sup>, Certified Financial Planner Board of Standards, Inc.  
Retirement Income Certified Professional (RICP®)<sup>2</sup>, The American College, 2018  
Bachelors of Science (Political Science), United States Naval Academy; Annapolis, MD  
Masters of Science (Financial Management), Naval Postgraduate School; Monterey, CA  
Masters of Arts (Military Studies), Marine Corps University; Quantico, VA  
Executive Certificate in Financial Planning,<sup>3</sup> Georgetown University; Washington, DC  
Uniform Investment Adviser Law Examination,<sup>4</sup> NASAA Series 65

##### ***Business Experience***

Safe Harbor Financial Advisors, LLC (2015-Present)  
Occoquan, VA  
Financial Planner/Investment Advisor Representative

Georgetown University (2014)  
Washington, DC  
Student

The Boeing Company (2009-2014)  
Annapolis Junction, MD  
Senior Manager

Kestrel Enterprises, Inc. (2007-2009)  
Washington, DC  
Vice President, Operations

United States Navy (1987-2007)  
Washington, DC  
Naval Officer

## **Item 3 – Disciplinary Information**

Registered investment advisors are required to disclose certain material facts about its associated personnel regarding any legal or disciplinary events, including criminal or civil action in a domestic, foreign or military court, or any proceeding before a state, federal or foreign regulatory agency, self-regulatory organization, or

suspension or sanction by a professional association for violation of its conduct rules, that would be material to your evaluation of each officer or a supervised person providing investment advice. Ms. Dorsett has not been the subject of any such event.

#### **Item 4 – Other Business Activities**

Principal executives, managers, and investment advisor representatives are required to disclose outside business activities that account for a significant portion of their time or income, or that may present a conflict of interest with their advisory activities.

Neither Ms. Dorsett nor our firm has a material relationship with the issuer of a security. She is not registered, nor has an application pending to register, as a registered representative of a broker/dealer or associated person of a futures commission merchant, commodity pool operator, or commodity trading advisor. She does not receive commissions, bonuses or other compensation based on the sale of securities, including that as a registered representative of a broker/dealer or the distribution or service (“trail”) fees from the sale of mutual funds.

#### **Item 5 – Additional Compensation**

Neither Ms. Dorsett nor our advisory firm is compensated for advisory services involving performance-based fees, and firm policy does not allow associated persons to accept or receive additional economic benefit, such as sales awards or other prizes, for providing advisory services to firm clients.

#### **Item 6 – Supervision**

Mr. Reilly serves as the firm’s Chief Compliance Officer and Ms. Dorsett’s supervisor. Mr. Reilly will monitor firm activities and the advice provided by performing the following ongoing reviews:

- Case file documentation
- Review of periodic account transactions
- Assessment of client financial situation, objectives, and investment needs
- Client correspondence reviews on an as needed basis
- Periodic firm assessments

Questions relative to the firm, its services or this brochure supplement may be made to the attention of Mr. Reilly at (703) 829-7233. Additional information about the firm, other advisory firms, or an associated investment advisor representative is available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). A search of this site for firms may be accomplished by firm name or a unique firm identifier, known as an IARD number. The IARD number for Safe Harbor Financial Advisors, LLC is 171734. The business and disciplinary history, if any, of an investment advisory firm and its representatives may also be obtained by calling the Virginia Division of Securities & Retail Franchising at (804) 371-9187.

#### **Item 7 – Requirements for State-Registered Advisers**

There have been no awards, sanctions or other reportable matters involving Ms. Dorsett or our advisory firm in a self-regulatory, administrative, or arbitration proceeding. Neither Ms. Dorsett nor our firm has been the subject of a bankruptcy petition.

## **Information about Professional Designations/Education**

<sup>1</sup> The **CERTIFIED FINANCIAL PLANNER™**, **CFP®** and federally registered CFP (with flame design) marks (collectively, the “CFP® marks”) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP Board”).

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 85,400 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board’s studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor’s Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board’s financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination – Pass the comprehensive CFP® Certification Examination. The examination includes case studies and client scenarios designed to test one’s ability to correctly diagnose financial planning issues and apply one’s knowledge of financial planning to real world circumstances;
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board’s *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board’s enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

<sup>2</sup> Retirement Income Certified Professional (RICP) is a professional designation for experienced financial professionals who wish to become experts in retirement income planning. The American College of Financial Services in Bryn Mawr, Pa., a non-profit organization offering financial services education, created the RICP designation to serve the financial planning needs of America’s increasing population of retirees and near-retirees. These professionals help retirees and near-retirees develop a plan for managing and using the assets they have accumulated for retirement to live within a realistic budget and not run out of money prematurely.

The RICP program consists of three courses: Retirement Income Process, Strategies and Solutions; Sources of Retirement Income; and Managing the Retirement Income Plan. It is designed for financial professionals who already have a broad-based financial planning credential such as Chartered Financial Consultant, Certified Financial Planner or Chartered Life Underwriter or whose businesses already emphasize retirement income planning. Applicants must have three-plus years of relevant work experience, complete the three online courses, and pass a 100-question exam. RICPs must adhere to a code of ethics and meet continuing education and reporting requirements.

<sup>3</sup> The referenced certificate program is designed to provide individuals with the skills and knowledge necessary for obtaining CFP® designation. This noncredit program is registered with the Certified Financial Planner Board of Standards, Inc. and includes seven courses that address the core competencies in financial planning, insurance, investment planning, income tax planning, retirement planning, estate planning, and ethics. The completion of a financial planning educational or certificate program and the CFP® Certification Examination does not constitute or imply a person is the holder of a professional designation, such as the



CERTIFIED FINANCIAL PLANNER™, CFP® professional certification granted in the United States by Certified Financial Planner Board of Standards, Inc. Minimum criteria may be found at: <http://www.cfp.net>.

<sup>4</sup> North American Securities Administrators Association (NASAA) examinations are "criterion based;" candidates who pass the exam are considered to have met the minimum competency level. The completion of an industry examination does not constitute or imply a person is "approved" or "endorsed" by a state or federal regulatory body.