

March 2024

# Part 2A of Form ADV Firm Brochure

---



**O'Donnell Financial Services, LLC**

1101 Fifth Avenue, Suite 150  
San Rafael, CA 94901

866-496-2300

[www.odfigroup.com](http://www.odfigroup.com)

This brochure provides information about the qualifications and business practices of O'Donnell Financial Services, LLC dba O'Donnell Financial Group, Inc. If you have any questions about the contents of this brochure, please contact us by telephone at (866) 496-2300 or email [info@odfigroup.com](mailto:info@odfigroup.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about O'Donnell Financial Services, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching CRD# 172520.

References to the term "registered investment adviser" and description of O'Donnell Financial Services, LLC and/or our associates as "registered" does not imply a certain level of skill or training. You are encouraged to review this Brochure and Brochure Supplements for our firm's associates who advise you for more information on the qualifications of our firm and our employees.

## **Material Changes to Our Part 2A of Form ADV: Firm Brochure**

Since our last annual amendment filing on March 27, 2023, we have the following material changes to report:

- Our firm has updated our Form CRS to accurately reflect the disciplinary history of our firm's professionals. Please see the attached Form CRS or reach out to O'Donnell Financial Services, LLC for additional information or questions.

## Table of Contents

<b>Material Changes to Our Part 2A of Form ADV: Firm Brochure</b> .....	2
<b>Table of Contents</b> .....	3
<b>Item 4: Advisory Business</b> .....	4
<b>Item 5: Fees &amp; Compensation</b> .....	7
<b>Item 6: Performance-Based Fees &amp; Side-By-Side Management</b> .....	9
<b>Item 7: Types of Clients &amp; Account Requirements</b> .....	10
<b>Item 8: Methods of Analysis, Investment Strategies &amp; Risk of Loss</b> .....	10
<b>Item 9: Disciplinary Information</b> .....	12
<b>Item 11: Code of Ethics, Participation, or Interest in Client Transactions &amp; Personal Trading</b> .....	13
<b>Item 12: Brokerage Practices</b> .....	14
<b>Item 14: Client Referrals &amp; Other Compensation</b> .....	19
<b>Item 15: Custody</b> .....	20
<b>Item 16: Investment Discretion</b> .....	21
<b>Item 17: Voting Client Securities</b> .....	21
<b>Item 18: Financial Information</b> .....	21

## **Item 4: Advisory Business**

O'Donnell Financial Services, LLC (referred to throughout as we, us, our, firm, company or O'Donnell Financial) is a registered investment advisor with the United States Securities and Exchange Commission. We operate as a limited liability company formed in the State of California, owned, and controlled by our founder, Gregory C O'Donnell, since 2015.

We specialize in the following types of services: Wrap Asset Management, Financial Planning & Consulting, and Retirement Planning Services. We provide individuals and other types of clients with a wide array of investment advisory services.

### **Description of the Types of Advisory Services We Offer**

---

#### **Asset Management:**

Asset Management services involves providing clients with continuous and on-going supervision over their accounts. This means that O'Donnell Financial will continuously manage client's account and place trades in the client accounts when necessary. These services are only offered through wrapped accounts.

When providing Asset Management services, we will typically consider equity, bonds, ETF's, mutual funds, and alternative investments to build diversified portfolios to meet each client's financial goals and objectives; however, we are not limited to those investments.

It is not our typical investment strategy to attempt to time the market, but we may increase cash holdings as deemed appropriate based on your risk tolerance, short-and long-term goals. We may modify our investment strategy to accommodate specific situations including but not limited to low basis stock, stock options, legacy holdings, inheritances, closely held businesses, or special tax situations (Please refer to Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss for more information).

#### **Financial Planning & Consulting:**

Financial planning services do not involve the on-going management of client accounts, but instead involves preparing a financial plan or rendering a financial consultation to help clients achieve their goals, based upon an understanding of each client's individual financial resources and objectives.

We provide an executive summary, highlighting each client's financial situation, observations, and proposed plan of action. Our advisors are available to assist with the implementation of the plan and to answer any client questions, but the client is ultimately responsible for the implementation or rejection of our recommendations. You are never required to implement our recommendations.

Recommendations may include that the client begin or revise investment programs, create, or revise wills or trusts, obtain, or revise insurance coverage, commence, or alter retirement savings, or establish education or charitable giving programs. Financial consulting engagements typically do not include a written summary of our observations and recommendations.

Financial Plans or consultations are typically completed within six (6) months of the client signing an engagement proposal with us, if all the information and documents we request from the client are provided to us promptly.

We may refer clients to an accountant, attorney, or other specialist, as necessary for non-advisory related services.

### **Retirement Planning Services:**

We offer retirement planning and consulting services to employer plan sponsors on a one-time or ongoing basis. The primary clients for these services are pension, profit sharing, and participant-directed, individual account plans (i.e., 401(k), 403(b), etc.).

Specifically, we offer (1) Discretionary Asset Management Services, (2) Non-Discretionary Asset Advisory Services, (3) Retirement Plan Fiduciary Services to employer-sponsored retirement plans and their participants in ERISA 3(21) co-fiduciary capacity.

Depending upon the type of plan and the specific needs of the plan sponsor, areas of advising could include assisting employer plan sponsors in establishing, monitoring, and reviewing their company's participant-directed retirement plan, investment options, plan structure and participant education.

Prior to being engaged by the plan sponsor we will provide a copy of this Form ADV Part 2A along with a copy of our Privacy Policy and the applicable Agreement that contains the information required to be disclosed under SEC. 408(b)(2) of the Employee Retirement Income Security Act ("ERISA"), as applicable.

If providing retirement plan services to a plan, a participant or beneficiary may request additional services. O'Donnell Financial may establish a separate client relationship with one or more plan participants or beneficiaries through a separate agreement. If the client accounts are part of a Plan, and we accept appointments to provide our services to such accounts, we acknowledge that we are a fiduciary within the meaning of Section 3(21) of ERISA (but only with respect to the provision of services described in Section 1 of the Retirement Plan Consulting Agreement).

Such client relationships develop in various way, including, and without limitation:

- as a result of a decision by a plan participant or beneficiary to purchase services from O'Donnell Financial not involving the use of plan assets;
- as part of an individual or family financial plan for which any specific recommendations concerning the allocation of assets or investment recommendations relating to the assets held outside of the plan; and/or
- through a rollover of an Individual Retirement Account ("IRA")

**Department of Labor Acknowledgement of Fiduciary Duty.** When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under special rules that requires us to act in your best interest and not put our interests ahead of yours. Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations;
- Never put our financial interests ahead of yours when making recommendations;
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and

- Give you basic information about conflicts of interest.

### **Sub-Advisory Services:**

We have entered into sub-advisory agreements for separately management accounts(s) with independent federally registered investment advisors. These arrangements were established to fulfill specific investment strategies designed to meet certain client's goals and objectives. We do not make individual security selections in the sub-advised accounts. The sub-advisors buy and sell securities over time as they manage the account directly on the client's behalf. We monitor the investment account, but not to the degree that we would monitor investments in accounts that we directly manage. Sub-Advisory services are only offered through wrapped accounts. There will be a separate Agreement that you will sign with the sub-advisor that will lay out their fee structure in which you will be responsible for paying. Please see the Wrap Fee Program Brochure for fee information.

Asset management fees charged by O'Donnell Financial are separate and distinct from management fees charged by the sub-advisor. O'Donnell Financial and the sub-advisors do not share any fees between them.

### **Tailoring of Advisory Services**

---

We offer individualized investment advice to clients utilizing our Wrap Asset Management and Sub-Advisor Asset Management services. Restrictions on investments in certain securities or types of securities may not be possible due to the level of difficulty this would entail in managing the account.

### **Participation in Wrap Fee Programs**

---

O'Donnell Financial Services, LLC sponsors a Wrap Program. Accounts are managed based on financial goals, risk tolerance, etc. Asset management services are offered on a wrap-fee basis only. Please see Part 2A, Appendix 1 (the "Wrap Fee Program Brochure") for more information.

### **Regulatory Assets Under Management**

---

As of December 31, 2023, we managed \$290,080,885 on a discretionary basis, and \$4,494,430 on a non-discretionary basis.

## **Item 5: Fees & Compensation**

### **How We Are Compensated for Our Advisory Services**

---

#### **Wrap Asset Management:**

We typically charge an annual percentage-based fee for portfolio management services. The annual fee is based on the fair market value of the account determined by a third-party Morningstar or Schwab & Co. as the last day of each calendar quarter. Advisory fees are annualized and applied quarterly in advance, based on the number of calendar days in a quarter.

Management fees are calculated against all assets in the investment account, unless specifically excluded. Therefore, fee calculations include cash balances invested in money market funds, short-term investment funds, ETFs, mutual funds, sweep account, the entire market value of margined assets and short positions (if any), alternative investments (if any), and all other investment holdings. At times, specifically during low yield environments, your advisory fee may exceed the money market yield.

Asset Management services are only offered through wrapped accounts. Please see the Wrap Fee Program Brochure for fee information.

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

We charge on an hourly basis or a flat fee basis for financial planning and consulting services. Fees vary based upon the scope and complexity of our engagement with you. Our hourly fees are \$350 for financial advisors, \$150 per hour for para-planners and \$75 for administrative time. Flat fees generally range from \$1,500 to \$10,000.

We require full payment of our financial planning or consulting fee in advance (100%). In all cases, we will not require a retainer exceeding \$1200 when services cannot be rendered within 6 (six) months.

#### **Retirement Planning Services:**

We charge on an hourly or flat fee basis for retirement planning services. Fees vary based on the scope and complexity of our engagement with you. Our hourly fee is \$250. Our flat fees generally range from \$750 to \$10,000. Flat fees will be charged annually for ongoing retirement planning services.

We require full payment of our retirement planning services engagement (100%) to be paid in advance. In all cases, we will not require a retainer exceeding \$500 when services cannot be rendered within six (6) months.

For ongoing consulting services, fees will be billed quarterly via invoice to the client and shall be paid within ten (10) days of the invoice date.

The fee-paying arrangements for retirement planning services will be determined on a case-by-case basis and will be detailed in the signed Retirement Planning Services Agreement. The client will be invoiced directly for the fees.

## General Information

O'Donnell Financial Services, LLC may invest a portion of your assets in mutual funds, exchange traded funds and charge an investment management fee on your assets invested in these securities. Therefore, you may pay two levels of fees for the management of your assets: one directly to O'Donnell Financial Services, LLC and one indirectly to the managers of the mutual funds, exchange traded funds held in your portfolios. Our management fees for advisory services are separate and distinct from the fees and expenses charged by the funds recommended to you. A description of these fees and expenses is available in each mutual fund and annuity prospectus. The ongoing fee for our management services may cost you more than if your assets were held in a traditional brokerage account. In addition, you may be able to obtain similar services for a lesser fee from other advisors.

Generally, our policy prohibits imposing an asset-based fee for 18 months on certain products. If an alternative investment product is purchased at NAV (in other words, purchased for no commission), then that alternative investment product may be held in an advisory account and be subject to an asset-based fee.

If your representative recommends a product previously purchased in a commission-based account be transferred into an advisory account, the recommendation may be deemed to be a conflict of interest. We manage this conflict through written disclosure to you and by imposing reasonable controls designed to monitor this activity.

## Other Types of Fees & Expenses

---

**Transaction Costs.** Wrap clients will not incur transaction costs for trades. For more information, please refer to our Wrap Fee Program Brochure.

**Sub-Advisory Asset Management Services.** There will be additional fees associated with any sub-advisor asset management services. There will be a separate Agreement that you will sign engaging the sub-advisor that will lay out their fee structure. These services are only offered through wrapped accounts. Please see the Wrap Fee Program Brochure for fee information.

**Deduction of Client Fees.** Fees are generally deducted directly from the client's account. Clients must provide the custodian with written authorization to have fees deducted from their account and paid to us. The custodian will send client statements, at least quarterly, showing all disbursements for the account including the amount of the wrap management fee, if deducted directly from the account (please refer to Item 13 – Review of Accounts for more information regarding client statements).

## Termination & Refunds

---

**Wrap Asset Management Agreements.** Asset management agreements may be terminated by either party at any time. If services are terminated during a quarter, fees are pro-rated based on the period we managed the assets prior to termination. The date of termination plus 30 days will be used to calculate the final fee payment. Upon termination we will have no obligation to recommend or take any action with regard to the securities, cash, or other investment in your account(s). All terminations must be made in writing.



**Sub-Advisor Agreements.** Services will terminate upon one of the following: 1) one party providing written notice of termination of the Agreement to the other party; 2) Client transferring or closing all of Client's Accounts to which the Agreement applies; or 3) Client removing either Sub-Advisor or IAR from all of Client's Accounts to which this Agreement applies. Pro-rated advisory fees for services rendered to the point of termination plus 30 days will be charged. If advisory fees cannot be deducted, our firm will send an invoice for due advisory fees to the client. Upon termination of the Sub-Advisor Agreement, Sub-Advisor nor the Company will have no obligation to recommend or take any action regarding the securities, cash, or other investment in your accounts(s).

**Financial Planning & Consulting Agreements.** Clients may terminate their agreement with us at any time before the delivery of a financial plan by providing written notice. For purposes of calculating refunds, all work performed by us up to the point of termination shall be calculated at the hourly fee currently in effect. Clients will receive a pro-rata refund of unearned fees based on the time and effort expended by our firm.

**The Retirement Planning Service Agreements.** Either party may terminate this agreement. Terminations must be made in writing; however, Retirement Planning Service Agreements are not eligible for refunds.

### **Commissionable Securities Sales**

---

To sell securities for a commission, our supervised persons are registered representatives of Independent Financial Group, LLC. ("IFG"), member FINRA/SIPC. Our supervised persons may accept compensation for the sale of securities or other investment products, including distribution or service ("trail") fees from the sale of mutual funds. You should be aware that the practice of accepting commissions for the sale of securities: (1) Presents a conflict of interest and gives our firm and/or our supervised persons an incentive to recommend investment products based on the compensation received, rather than on your needs. We generally address commissionable sales conflicts that arise when explaining to clients that commissionable securities sales create an incentive to recommend products based on the compensation, we and/or our supervised persons may earn and/or when recommending commissionable mutual funds; and (2) In no way prohibits you from purchasing investment products recommended by us through other brokers or agents which are not affiliated with us.

Because OFS IARs are registered representatives with IFG, they are required to use the services of IFG and its approved clearing broker-dealers when acting in this separate capacity. IFG has a wide range of approved securities products for which it has performed due diligence. IFG's registered reps are limited to these products when implementing securities transactions through IFG. IFG provides its representatives with back-office operational, technological, and other administrative support.

### **Item 6: Performance-Based Fees & Side-By-Side Management**

We do not accept performance-based fees.

## **Item 7: Types of Clients & Account Requirements**

We have the following types of clients:

- Individuals and High Net Worth Individuals;
- Pension and Profit Sharing Plans;
- Trusts, estates and charitable organizations;
- Corporations or business entities other than those listed above.

We do not impose requirements for opening and maintaining accounts for clients utilizing our Wrap Asset Management or Sub-Advisor Wrap Asset Management services.

## **Item 8: Methods of Analysis, Investment Strategies & Risk of Loss**

### **Methods of Analysis**

---

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

- **Cyclical Analysis:** Analyzes investments sensitive to business cycles and whose performance is strongly tied to the overall economy. The stock price of a cyclical company will often rise just before an economic upturn begins and fall just before a downturn begins.
- **Fundamental Analysis:** A method of evaluating a security by attempting to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).
- **Technical Analysis:** Analyzing past market movements and applying that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement. Technical analysis does not consider the underlying financial condition of a company.

### **Investment Strategies We Use**

---

Specific strategies that we recommend and/or implement are based on each client's specific situation and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations.

We use the following strategies in managing clients' accounts:

- **Long-Term Purchases:** We believe that long-term goals should be supported by a long-term strategy, such as 'buy and hold' investing. A key risk in this strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell. Typically, we employ this sub-strategy when we believe the securities to be well valued; and/or we want exposure to a particular asset class over time, regardless of the current projection for this class.

- **Short-Term Purchases:** When clients have a known or expected need and within a short-term time horizon, we believe that short-term investing with a focus on reducing the risk and volatility of the portfolio is the most prudent route. While this strategy may result in lower returns as compared to long-term investing, the tradeoff in lower expected returns is focused on increasing the probability that a client's required resources are available to meet the known or expected short-term liquidity requirement. Another reason to employ a short-term strategy is to attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.
- **Margin Loans & Transactions:** When you purchase securities, you may pay for the securities in full or borrow part of the purchase price from your account custodian or clearing firm. If you intend to borrow funds in connection with your account you will be required to open a margin account, which will be carried by the qualified custodian. This allows you to own more stock than you would be able to with your available cash. Margin accounts and transactions are risky and not necessarily appropriate for every client.

The potential risks associated with these transactions are (1) You can lose more funds than are deposited into the margin account; (2) the forced sale of securities or other assets in your account; (3) the sale of securities or other assets without contacting you; (4) you may not be entitled to choose which securities or other assets in your account(s) are liquidated or sold to meet a margin call; and (5) custodians charge interest on margin balances which will reduce your returns over time. Margin accounts are available only upon request.

- **Trading:** When market conditions are conducive, we may purchase securities with the idea of selling them very quickly (typically within 30 days or less).
- **Short Sales:** Short selling occurs when an investor borrows a security, sells it on the open market, and expects to buy it back later for less money (i.e., they believe the stock price will fall). This technique is utilized to generate gains when the market turns bearish.
- **Option Writing:** We may engage in options transactions for the purpose of hedging risk and/or generating portfolio income. The use of options transactions as an investment strategy can involve a high level of risk. Option transactions establish a contract between two parties concerning the buyer or selling of an asset at a predetermined price during a specific period of time. During the term of the option contract the buyer of the option gains the right to demand fulfillment by the seller. Fulfillment may take the form of selling or purchasing a security depending upon the nature of the option contract. An option, just like a stock or bond, is a security. Option accounts are available upon request only.
- **Structured Products:** Structured products are designed to facilitate highly customized risk-return objectives. While structured products come in many different forms, they typically consist of a debt security that is structured to make interest and principal payments based upon various assets, rates, or formulas. Investing in structured products includes significant risks, including but not limited to valuation, lack of liquidity, price, credit, and market risks as well as credit quality of the issuer.

## **Risk of Loss**

---

Investing in securities involves risk of loss that clients should be prepared to bear. While the stock market may increase and your account(s) could enjoy a gain, it is also possible that the stock market may decrease, and your account(s) could suffer a loss. It is important that you understand the risks associated with investing in the stock market, are appropriately diversified in your investments, and ask us any questions you may have.

## **Description of Material, Significant or Unusual Risks**

---

We generally invest client's cash balances in money market funds, sweep accounts, FDIC Insured Certificates of Deposit, high-grade commercial paper and/or government backed debt instruments. In most cases, at least a partial cash balance will be maintained in a money market account so that our firm may debit advisory fees for our services related to Wrap Asset Management, as applicable.

## **Item 9: Disciplinary Information**

There are no legal or disciplinary events that are material to the evaluation of our advisory business or the integrity of our management.

## **Item 10: Other Financial Industry Activities & Affiliations**

Mr. O'Donnell is a licensed real estate agent and licensed mortgage loan advisor. As a result, he may receive customary fees associated with real estate transactions. These services are independent of our advisory services and are governed under a separate engagement agreement. Clients are under no obligation to utilize this service.

Mr. O'Donnell provides mortgage loans. He spends 2% of his time in this capacity. Mr. O'Donnell is an active real estate investor. He spends 25% of his time in this capacity.

O'Donnell Financial Services, LLC is a registered investment advisor and only provides investment advisory services. While we do not sell products or services other than investment advice, our representatives may sell other products or provide services outside of their role as investment advisor representatives with us.

Some of our advisory representatives are also independently licensed to sell insurance products through various insurance companies. When acting in this capacity, they may receive fees or commissions for selling these products. This is a conflict of interest. You are under no obligation to act on these insurance recommendations or to direct insurance transactions to insurance companies with which our representatives may be licensed. Suitable insurance and investment products may be available from other companies.

Some of our advisory representatives are also registered representatives of Independent Financial Group, LLC. You can engage them in this separate capacity to render securities brokerage services under a commission arrangement. Our representatives may have a financial incentive to recommend that a financial plan be implemented using a certain product or service. This is a conflict of interest because they could receive commissions in their capacity as registered representatives and could also receive advisory fees in their capacity as an investment advisor representative. Additionally, representatives of our firm are Investment Adviser Representatives of Independent Financial Group, LLC for the purpose of this solicitation arrangement with them.

You are under no obligation to use the services of our representatives in this separate capacity or to use Independent Financial Group, LLC and can select any broker/dealer you wish to implement securities transactions. If you select our representatives to implement securities transactions in their separate capacity as registered representatives, they must use Independent Financial Group, LLC. Prior to effecting any transactions, you are required to enter into a new account agreement with Independent Financial Group, LLC. In addition, the registered representatives may also receive additional ongoing 12b-1 fees for mutual fund purchases from the mutual fund company during the period that you maintain the mutual fund investment.

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

O'Donnell Financial Services, LLC has established a Code of Ethics ("Code") that applies to all employees of the firm and is designed to, among other things; govern personal securities trading activities in the accounts of employees. The Code is based upon the principal that O'Donnell Financial and its employees owe a fiduciary duty to our clients to conduct their affairs, including their personal securities transactions, in such a manner as to avoid (i) serving their own personal interest ahead of clients, (ii) taking inappropriate advantage of their position with the firm and (iii) any conflicts of interest or any abuse of their position of trust and responsibility.

The Code is designed to ensure that the high ethical standards long maintained by O'Donnell Financial continue to be applied. The purpose of the Code is to preclude activities which may lead to or give the appearance of conflicts of interest, insider trading and other forms of prohibited or unethical business conduct of each employee. This section is intended to be a summary of the Company's Code. Clients may receive a complete copy of the Code upon request.

**Participation or Interest in Client Transactions.** O'Donnell Financial and its associated persons may buy or sell securities that are also recommended to clients. Securities recommended by the firm are widely held and publicly traded. In addition, in accordance with its fiduciary duty to clients, the Company and its associated persons will place client interests ahead of their own interests. We have developed policies and procedures under our Code of Ethics that require our employees to submit their personal securities holding and transactions to our firm. This is done so that we can monitor their investments to ensure compliance with our Code of Ethics and our general fiduciary duty to clients.

Neither our firm nor a related person recommends to clients, or buys or sells for client accounts, securities in which our firm or a related person has a material financial interest. Further, our related persons will refrain from buying or selling the same securities prior to buying or selling for our clients on the same day. If related persons' accounts are included in a block trade, our related persons accounts will be traded in the same manner every time.

## **Item 12: Brokerage Practices**

### **Selecting a Brokerage Firm**

---

If you want to engage O'Donnell Financial Services, LLC as your investment advisors, we will be responsible for executing your account transactions and therefore responsible for attaining the best execution possible under the prevailing circumstances.

We seek to recommend a custodian/broker who will hold your assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. O'Donnell Financial is not affiliated with any broker/dealer or other qualified Custodian.

The primary factor in suggesting a Qualified Custodian is that the services of the recommended firm are provided in a cost-effective manner. While quality of execution at the best price is an important determinant, best execution does not necessarily mean lowest price and it is not the sole consideration. Overall custodial support services, trade correction services and statement preparation are some of the other factors determined when suggesting a Qualified Custodian.

Qualified Custodians provide us with access to their institutional trade execution, make certain research and brokerage services available at no additional cost to our firm all of which qualify for the safe harbor exemption defined in Section 28(e) of the Securities Exchange Act of 1934. These services may be directly from independent research companies, as selected by our firm (within specific parameters).

### **Custodian & Brokers Used**

Our firm does not maintain custody of client assets (although our firm may be deemed to have custody of client assets if give the authority to withdraw assets from client accounts. See *Item 15 Custody*, below). Client assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. Our firm recommends that clients use the Schwab Advisor Services division of Charles Schwab & Co. Inc. ("Schwab"), a FINRA-registered broker-dealer, member SIPC, as the qualified custodian. Our firm is independently owned and operated, and not affiliated with Schwab. Schwab will hold client assets in a brokerage account and buy and sell securities when instructed. While our firm recommends that clients use Schwab as custodian/broker, clients will decide whether to do so and open an account with Schwab by entering into an account agreement directly with them. Our firm does not open the account. Even though the account is maintained at Schwab, our firm can still use other brokers to execute trades, as described in the next paragraph.

### **How Brokers/Custodians Are Selected**

Our firm seeks to recommend a custodian/broker who will hold client assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. A wide range of factors are considered, including, but not limited to:

- combination of transaction execution services along with asset custody services (generally without a separate fee for custody)
- capability to execute, clear and settle trades (buy and sell securities for client accounts)
- capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- breadth of investment products made available (stocks, bonds, mutual funds, exchange traded funds (ETFs), etc.)

- availability of investment research and tools that assist in making investment decisions
- quality of services
- competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate them
- reputation, financial strength and stability of the provider
- prior service to our firm and our other clients
- availability of other products and services that benefit our firm, as discussed below (see *“Products & Services Available from Schwab”*)

### **Custody & Brokerage Costs**

Schwab generally does not charge a separate fee for custody services, but may be compensated by charging commissions or other fees to clients on trades that are executed or that settle into the Schwab account. In addition to possible commissions, Schwab charges a flat dollar amount as a “prime broker” or “trade away” fee for each trade that our firm has executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into a Schwab account. These fees are in addition to the commissions or other compensation paid to the executing broker-dealer. Because of this, in order to minimize client trading costs, our firm has Schwab execute most trades for the accounts.

### **Products & Services Available from Schwab**

Schwab Advisor Services is Schwab’s business serving independent investment advisory firms like our firm. They provide our firm and clients with access to its institutional brokerage – trading, custody, reporting and related services – many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help manage or administer our client accounts while others help manage and grow our business. Schwab’s support services are generally available on an unsolicited basis (our firm does not have to request them) and at no charge to our firm. The availability of Schwab’s products and services is not based on the provision of particular investment advice, such as purchasing particular securities for clients. Here is a more detailed description of Schwab’s support services:

#### **Services that Benefit Clients**

Schwab’s institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which our firm might not otherwise have access or that would require a significantly higher minimum initial investment by firm clients. Schwab’s services described in this paragraph generally benefit clients and their accounts.

#### **Services that May Not Directly Benefit Clients**

Schwab also makes available other products and services that benefit our firm but may not directly benefit clients or their accounts. These products and services assist in managing and administering our client accounts. They include investment research, both Schwab’s and that of third parties. This research may be used to service all or some substantial number of client accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- provides access to client account data (such as duplicate trade confirmations and account statements);
- facilitates trade execution and allocate aggregated trade orders for multiple client accounts;

- provides pricing and other market data;
- facilitates payment of our fees from our clients' accounts; and
- assists with back-office functions, recordkeeping and client reporting.

### **Services that Generally Benefit Only Our Firm**

Schwab also offers other services intended to help manage and further develop our business enterprise. These services include:

- educational conferences and events
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants and insurance providers.

Schwab may provide some of these services itself. In other cases, Schwab will arrange for third-party vendors to provide the services to our firm. Schwab may also discount or waive fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide our firm with other benefits, such as occasional business entertainment for our personnel.

Irrespective of direct or indirect benefits to our client through Schwab, our firm strives to enhance the client experience, help clients reach their goals and put client interests before that of our firm or associated persons.

### **Our Interest in Schwab's Services.**

The availability of these services from Schwab benefits our firm because our firm does not have to produce or purchase them. Our firm does not have to pay for these services, and they are not contingent upon committing any specific amount of business to Schwab in trading commissions or assets in custody.

In light of our arrangements with Schwab, a conflict of interest exists as our firm may have incentive to require that clients maintain their accounts with Schwab based on our interest in receiving Schwab's services that benefit our firm rather than based on client interest in receiving the best value in custody services and the most favorable execution of transactions. As part of our fiduciary duty to our clients, our firm will endeavor at all times to put the interests of our clients first. Clients should be aware, however, that the receipt of economic benefits by our firm or our related persons creates a potential conflict of interest and may indirectly influence our firm's choice of Schwab as a custodial recommendation. Our firm examined this potential conflict of interest when our firm chose to recommend Schwab and have determined that the recommendation is in the best interest of our firm's clients and satisfies our fiduciary obligations, including our duty to seek best execution.

In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Although our firm will seek competitive rates, to the benefit of all clients, our firm may not necessarily obtain the lowest possible commission rates for specific client account transactions. Our firm believes that the selection of Schwab as a custodian and broker is in the best interest of our clients. It is primarily supported by the scope, quality, and price of Schwab's services, and not Schwab's services that only benefit our firm.



## **Soft Dollars**

---

While there will not be a direct linkage between the investment advice provide by us and the qualified custodians, broker/dealers or vendors we recommend, economic benefits may be received that could not be received if we did not use these services to implement the investment advice provided. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving our firm's participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to us by third party vendors.

Schwab may also have paid for business consulting and professional services received by our firm's related persons. Some of the products and services made available by Schwab through the program may benefit our firm but may not benefit our client accounts. These products or services may assist us in managing and administering client accounts, including accounts not maintained at Schwab. Other services made available by Schwab are intended to help us manage and further develop our business enterprise. The benefits received by our firm or our personnel through participation in the program do not depend on the amount of brokerage transactions directed to Schwab. As part of our fiduciary duties to our clients, we always endeavor to put the interests of our clients first. Clients should be aware, however, that the receipt of economic benefits by our firm or our related persons in and of itself creates a potential conflict of interest and may indirectly influence our firm's choice of Schwab for custody and brokerage services.

Additionally, our firm has received funds by one of our vendors, First Trust, regarding education reimbursement for client events, within the fourth quarter of 2022.

## **Procedures to Direct Client Transactions in Return for Soft Dollars**

---

We do not direct client transactions to a particular custodian, broker-dealer, or vendor in return for soft dollar benefits.

## **Client Brokerage Commissions**

---

We do not acquire client brokerage commissions (or markups or markdowns).

## **Brokerage Commission for Client Referrals**

---

Our firm does not receive brokerage for client referrals.

## **Directed Brokerage**

---

Neither we nor any of our firm's related persons have discretionary authority in making the determination of the brokers with whom orders for the purchase or sale of securities are placed for execution, and the commission rates at which such securities transactions are affected. We routinely recommend that a client directs us to execute through a specified custodian. Our firm recommends the use of Schwab. Each client will be required to establish their account(s) with Schwab if not already done. Please note that not all advisors have this requirement.

## **Permissibility of Client-Directed Brokerage**

---

We do not allow client-directed brokerage outside our custodial recommendations.

## **Trade Errors**

---

On occasion, an error may be made by O'Donnell Financial or the custodian in a client's account. For example, a security may be erroneously purchased for a client account instead of sold. In these situations, we generally seek to correct the error by placing the client account in a similar position as it would have been had there been no error, at no cost to the client. Depending on the circumstances, corrective steps may be taken, including but not limited to cancelling the trade, adjusting the allocation, and/or crediting the client's account.

**Sub-Advisors.** As noted previously, the firm may use sub-advisors to manage some or all certain client's portfolios. The brokerage and trading practices of the Sub-Advisor will be disclosed in the Sub-Advisor's Disclosure Brochure (ADV Part 2A).

## **Aggregation of Purchase or Sale**

---

We perform investment management services for various clients. There are occasions on which portfolio transactions may be executed as part of concurrent authorizations to purchase or sell the same security for numerous accounts served by our firm, which involve accounts with similar investment objectives. Although such concurrent authorizations potentially could be either advantageous or disadvantageous to any one or more accounts, they are affected only when we believe that to do so will be in the best interest of the effected accounts. When such concurrent authorizations occur, the objective is to allocate the executions in a manner which is deemed equitable to the accounts involved. In any given situation, we attempt to allocate trade executions in the most equitable manner possible, taking into consideration client objectives, current asset allocation and availability of funds using price averaging, proration, and consistently non-arbitrary methods of allocation.

We may use block trades to allocate the same security purchase or sale across any or all accounts. Our qualified custodians strive to ensure that the average share price per transaction gets allocated amongst all accounts in a particular block-trade.

## **Item 13: Review of Accounts or Financial Plans**

We review accounts on at least a quarterly basis for our clients subscribing to our Wrap Asset Management and Sub-Advisor Wrap Asset Management services. The nature of these reviews is to learn whether clients' accounts are in line with their investment objectives, appropriately positioned based on market conditions, and investment policies, if applicable. We do not provide written reports to clients, unless asked to do so. Verbal reports to clients take place on at least an annual basis when we contact clients who subscribe to our Wrap Asset Management services.

We may review client accounts more frequently than described above. Among the factors which may trigger an off-cycle review are major market or economic events, the client's life events, requests by the client, etc.

Retirement Planning Services clients receive reviews of their retirement plans for the duration of the retirement planning service agreement. We also provide ongoing services to Retirement Planning Service clients where we meet with such clients upon their request to discuss updates to their plans, changes in their circumstances, etc. Retirement Planning Service clients do not receive written or

verbal updated reports regarding their pension plans unless they choose to contract with us for ongoing Pension Consulting services.

Financial Planning clients do not receive reviews of their written plans unless they take action to schedule a financial consultation with us. We do not provide ongoing services to financial planning clients, but are willing to meet with such clients upon their request to discuss updates to their plans, changes in their circumstances, etc. Financial Planning clients do not receive written or verbal updated reports regarding their financial plans unless they separately contract with us for a post-financial plan meeting or update to their initial written financial plan.

#### **Item 14: Client Referrals & Other Compensation**

##### **Charles Schwab & Co. Inc.**

---

Our firm receives economic benefits from Schwab in the form of the support products and services made available to our firm and other independent investment advisors that have their clients maintain accounts at Schwab. These products and services, how they benefit our firm, and the related conflicts of interest are described above (*see Item 12 – Brokerage Practices*). The availability of Schwab’s products and services is not based on our firm giving particular investment advice, such as buying particular securities for our clients.

##### **Product Sponsors**

---

Our firm, through our representatives’ relationships with Independent Financial Group, LLC, occasionally participates in events that are sponsored by product providers. These events are educational in nature and are not dependent upon the use of any specific product. While a conflict of interest may exist because these events are at least partially funded by product sponsors, all funds received from product sponsors are used for the education of our clients. We will always adhere to our fiduciary duty in recommending appropriate investments for our clients.

##### **Sponsorship of Corporate Events and Community Education Events**

---

As noted in Item 12 above, we receive an economic benefit in the form of support products and services made available to us and other independent investment advisors that have client accounts maintained at various custodians. Companies that custody client accounts or manage securities and other assets (which are used in O’Donnell Financial account) from mutual funds, exchange traded funds, institutional investors and clients of independent financial advisors, including but not limited to, Schwab, First Trust, and Impact Partner Wealth Asset will from time to time sponsor or host O’Donnell Financial events such as conferences and seminars, in addition to providing support products and services. This may include direct payment to vendors or reimbursement of expenses incurred by us in the connection with hosting educations, training or other events for our clients or employees. Such hosting or sponsorship provide direct or indirect economic benefits to us and creates a conflict of interest that could influence us to include products or services offered by these sponsoring companies in our portfolio. O’Donnell Financial never receives a kick back, consulting or revenue sharing fee for recommending specific investment products to its clients.

##### **Referral Fees**

---

In accordance with Rule 206 (4)-1 of the Investment Advisers Act of 1940, our firm does not provide cash or non-cash compensation directly or indirectly to unaffiliated persons for testimonials or endorsements (which include client referrals).

## **Item 15: Custody**

Custody, as it applies to investment advisors, has been defined by regulators as having access to or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment advisor has the ability to access or control client funds or securities, the investment advisor is deemed to have custody and must ensure proper procedures are implemented. It should be noted that authorization to trade in client accounts is not deemed by regulators to be custody.

O'Donnell Financial is deemed to have custody of client funds and securities whenever the firm is given the authority to have fees deducted from client accounts. We have the ability to deduct our advisory fee from the client's custodial account. Clients are provided with written transaction confirmation notices, and a written summary account statement directly from the custodian (i.e., Schwab) at least quarterly. To the extent that we provide clients with periodic account statements or reports, the client is urged to reconcile any statement or report provided by us with the account statements received from the account custodian. The account custodian does not verify the accuracy of our advisory fee calculation.

For accounts in which O'Donnell Financial is deemed to have custody, the firm has established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name, address, and the manner in which the funds or securities are maintained.

We encourage our clients to raise any questions with us about the custody, safety, or security of their assets. The custodians we do business with will send you independent account statements listing your account balance(s), transaction history and any fee debits or other fees taken out of your account.

The SEC issued a no-action letter ("Letter") with respect to Rule 206(4)-2 ("Custody Rule") under the Investment Advisers Act of 1940 ("Advisers Act"). The letter provided guidance on the Custody Rule as well as clarified that an adviser who has the power to disburse client funds to a third party under a standing letter of instruction ("SLOA") is deemed to have custody. As such, our firm has adopted the following safeguards in conjunction with our custodian, Schwab:

- The client provides an instruction to the qualified custodian, in writing, that includes the client's signature, the third party's name, and either the third party's address or the third party's account number at a custodian to which the transfer should be directed.
- The client authorizes the investment adviser, in writing, either on the qualified custodian's form or separately, to direct transfers to the third party either on a specified schedule or from time to time.
- The client's qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the client's authorization and provides a transfer of funds notice to the client promptly after each transfer.
- The client can terminate or change the instruction to the client's qualified custodian.
- The investment adviser has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the client's instruction.
- The investment adviser maintains records showing that the third party is not a related party of the investment adviser or located at the same address as the investment adviser.

- The client’s qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

### **Item 16: Investment Discretion**

Clients have the option of providing our firm with investment discretion on their behalf, pursuant to an executed investment advisory client agreement. By granting investment discretion, we are authorized to execute securities transactions, which securities are bought and sold, the total amount to be bought and sold, and the costs at which the transactions will be affected.

### **Item 17: Voting Client Securities**

It is the policy of O’Donnell Financial not to vote proxies on behalf of clients. It is the client’s ultimate responsibility to select and make all proxy voting decisions to vote all proxies for securities held in their accounts.

Clients may call, write, or email us to discuss questions they may have about specific proxy votes or other solicitations.

### **Item 18: Financial Information**

Our firm is not required to provide financial information in this Brochure because:

- Our firm does not require the prepayment of more than \$1200 in fees and six or more months in advance.
- Our firm does not take custody of client funds or securities.
- Our firm has never been the subject of a bankruptcy proceeding.

Our firm has participated in the Economic Injury Loan (“EIL”) program established by the U.S. Small Business Administration (“SBA”). Participation in the programs is intended to support small businesses in response to the COVID-19 pandemic by providing low-interest loans for business essentials such as payroll expenses.