

Regulatory Disclosures and Firm Brochure

Part 2A of ADV

Version Date: 31 March 2024

Tingey Advisors, Inc.

2101 East Murray-Holladay Road, Suite 200  
Salt Lake City, Utah 84117 Phone: 801-352-8166  
Website: www.tingeyadvisors.com

Principals

Alan B. Tingey, CFA  
2101 E. Murray-Holladay Road, Suite 200  
Salt Lake City, Utah 84117  
Phone: 801-352-8166  
Email: alan.tingey@tingeyadvisors.com

Jon D. Tingey, CFA  
2101 E. Murray-Holladay Road, Suite 200  
Salt Lake City, Utah 84117  
Phone: 801-352-8166  
Email: jon.tingey@tingeyadvisors.com

**Disclaimer:**

This brochure provides information about the practices and qualifications of Tingey Advisors, Inc. (TA), a Registered Investment Advisor. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. While TA may refer to itself as a “Registered Investment Advisor” or “RIA,” clients or potential clients should be aware that the registration itself does not imply any particular level of skill, training or endorsement by regulatory authorities. If you have any questions about the content of this brochure, please contact us at (801) 352-8166.

Additional information about Tingey Advisors, Inc. is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) (the CRD number for Tingey Advisors, Inc. is 107539).

**Name of Advisory Firm**

Tingey Advisors, Inc. is a DBA of Cannon Tingey Investment Advisors, Inc.

**Material Changes from Previous Version:**

This brochure contains material changes from the previous ADV submitted to FINRA on March 31, 2023.

**Table of Contents**

<u>Item Number</u>	<u>Item</u>	<u>Page</u>
1	Cover Page	1
2	Material Change from Previous Version	1
3	Table of Contents	1
4	Advisory Business	1
5	Fees and Compensation	2
6	Performance Based Fees and Side-by-Side Management	3
7	Types of Clients	3
8	Method of Analysis, Investment Strategies and Risk of Loss	3
9	Disciplinary Information	4
10	Other Financial Industry Activities and Affiliations	4
11	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	5
12	Brokerage Practices	6
13	Review of Accounts	6
14	Client Referrals and Other Compensation	7
15	Custody	7
16	Investment Discretion	7
17	Voting Client Securities	8
18	Financial Information	8
19	Requirements for Registered Advisors	8

**Advisory Business**

Tingey Advisors, Inc. (hereafter “Tingey Advisors” or “TA”), operating as a DBA of Cannon Tingey Investment Advisors, Inc., is a fee-based investment advisor founded in 1996 that manages approximately \$421 Million of discretionary assets (as of 12/31/23) for approximately 978 portfolio accounts representing approximately 393 client relationships. TA provides personalized portfolio management service and investment advice according to specific client objectives. Principal owners include Alan B. Tingey, CFA and Jon D. Tingey, CFA - each owning 50% of the firm. TA may, on occasion, furnish

advice to clients on matters not involving publicly traded securities; however, such advice does not involve recommendations of private securities offerings and represents less than 5% of total revenues over the past five years. In addition to discretionary assets under management disclosed on this ADV, TA also advises on non-discretionary portfolios that include but are not limited to qualified retirement plans or 401(k) plans.

#### Initial Consultation

Tingey Advisors generally offers a free consultation service to accomplish the following: 1) introduce the client to TA, its principals, portfolio managers and its services, 2) gather information about the client's investment objectives, risk tolerance and other factors critical to the investment decision making process, 3) agree to terms of service and compensation, and 4) execute custodial account-opening, management and investment guideline documents. TA will also offer the prospective client, a Client Relationship Summary which provides relevant information in the process of choosing an investment advisor. Additionally, TA provides the firm's Disclosure Brochure describing TA's business process, fees, and other information.

#### Portfolio Management Services

TA provides portfolio management services to individuals, small businesses, and institutions. TA takes a personal approach to investing. TA evaluates the client's risk tolerance in order to establish investment objectives which are used to determine portfolio investment guidelines. This process allows TA to tailor its investment advice and portfolio management services to meet client needs. As part of the analysis of client risk and objectives, portfolios are categorized as, one of the following: 1) "Growth", 2) "Income", 3) "Balanced", 4) "Balanced with Growth Bias", or 5) "Balanced with Income Bias". Growth portfolios, by objective, hold primarily common stocks. Income portfolios primarily hold bonds. Balanced portfolios hold a combination of stocks and bonds. TA uses a low-turnover, prudently diversified strategy wherein many different stocks and/or bonds will exist in the portfolio at any given time. Unless otherwise stipulated, the clients give TA full discretion to manage client portfolios in accordance with mutually agreed upon investment guidelines.

#### 401(k) or other Qualified Plan Consulting Services & Selection of Advisors

TA provides financial advisory services to qualified retirement plans, including 401(k) and other defined compensation plans for a fee calculated as a percentage of assets under management (AUM fee). As such, TA recommends, for plan trustee approval, certain mutual funds to become part of the asset selection list for participants in a given plan. While the ultimate structure of the plan is the responsibility of the trustees (which is not the role of TA), the trustees may rely upon the advice of TA in developing an appropriate line up of mutual funds for the plan's participants to select their investments.

#### Educational Seminars

As part of its retirement plan service for qualified plans, TA may from time to time engage in seminars to educate qualified plan participants during enrollment meetings. No additional fee is charged beyond the AUM fee referred to above. TA may also engage from time to time in educational sessions for its traditional portfolio management clients, both individually and collectively, as part of its overall service. TA may sponsor an annual "Financial Markets Outlook" luncheon or webcast, where clients are invited to hear analysis of financial markets.

#### Statements and Newsletters

TA may provide quarterly statements of account to clients along with the monthly statements they receive from their selected custodian. TA may also deliver a quarterly newsletter containing a summary of the markets and general economic and financial information to the clients with their quarterly statement. TA may, from time to time, provide market commentaries, wherein TA discusses notable issues related to the capital markets.

#### Other investment advisory services

TA offers other investment advisory services providing general, non-discretionary financial advice. For example, trustees may hire TA to advise them on defining appropriate mutual funds or other investment options for the participants of a 401(k) plan. In such cases, fees are paid as a percentage of assets under management; however, this type of consulting service does not include investment discretion since the plan participants are responsible to select their own mutual funds or other assets according to their own risk tolerance and objectives.

#### Other General Consulting

TA may periodically engage in general consulting services for various firms or individuals in areas including, but not limited to, providing expert witness services, general financial consulting, general management consulting, personal and corporate consulting, or a project requested by a client which may or may not involve investment advice.

### **Fees and Compensation**

Tingey Advisors is a fee-based investment advisor. Services are rendered for a fee calculated as a percentage of assets under management, billed quarterly. At present, TA does not charge a minimum fee. The general fee schedule, as quoted on an annual basis, is shown below:

<b>Portfolio Management Fees</b>	
1.10%	on the first \$1,000,000.00
0.95%	on the next \$2,000,000.00
0.85%	on the next \$2,000,000.00
0.75%	on the next \$5,000,000.00
0.50%	on assets > \$10,000,000.00

Fees for assets under management are assessed at the beginning of each quarter by applying the quarterly fee percentage (1/4 of the annual fee percentage) to the account's fair market value as determined by the custodian, as of the last day of the previous quarter. Such fees are generally deducted directly from client accounts if the client has so stipulated in writing; otherwise, an invoice would be sent to the client requesting payment. Investment management services may be terminated by either party with a 2-day written notice. Management fees may be charged mid-quarter when a material amount of new assets are received in

an active account, subject to an executed management agreement. Conversely, fees may not be refunded for money taken out of an active account mid quarter. If investment management services are terminated, fees assessed at the beginning of the quarter may be refunded on a prorated basis. Fees for investment management services may, under certain circumstances, be negotiable, and the actual fee of each client is disclosed to the client in writing.

TA does not charge fees based on performance. Management fees are negotiable. Client requests to negotiate fees can be made in writing or by verbal communication. Such request, reviewed by the management committee (which may also be the investment committee), may be accepted or denied by the committee, or company principal based on, but not limited to, the nature of the assets to be managed and the potential for additional assets to be managed. A decision to use a negotiated fee (rather than the standard fee) will be affirmed in writing.

#### Fees for Other General Consulting

The fee schedule for services listed above under Other General Consulting is a non-negotiable \$295.00 per hour. For such services, the project is defined and agreed to up front, and the client is billed by written invoice at the conclusion of the work performed or during the project. Payment is generally made by check; however, payment can also be made by direct deduction from the client's account upon request and authorization by the client.

#### **Performance Based Fees and Side-by-Side Management**

TA does not charge fees based on performance. Therefore, none of its clients' accounts will be managed side-by-side with any performance-based clients.

#### **Types of Clients**

Tingey Advisors may provide investment advice to the following types of entities: Individuals, Trusts & Estates, Foundations, Charitable Organizations, Corporations, Partnerships, Unions, Pension and Profit-Sharing Plans, 401(k) and other qualified retirement plans.

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

Tingey Advisors provides investment management services for organizations and individuals. The investment management services are predicated on the following philosophies and investment disciplines for the equity and fixed income capital markets. TA may offer advice regarding the following types of securities: equity securities; warrants; corporate debt securities; commercial paper; municipal securities; investment company securities including mutual fund shares; United States government securities; mortgages; structured products; exchange traded funds; real estate investments trusts; commodities; derivative and other option and futures contracts.

#### **Equity Investment Philosophy and Discipline:**

Tingey Advisors employs a fundamental approach to investing. Fundamental analysis seeks to determine the intrinsic value of a security based upon analysis of business factors such as, but not limited to: revenues, earnings, cash flows, strength of balance sheets, dividends, price, management focus and competitive positions in the market place. In addition to the use of fundamental analysis, TA may employ technical analysis, which seeks to determine the future direction of security prices through the study of past market data such as price and trading volume. TA may also use charting (the graphing of the interaction between a company's price, earnings, dividends and performance relative to the general market) or cyclical analysis (the study of the nature of individual securities and the general market's sensitivities to cyclical movements such as the fluctuation of the local or global economies) to augment its basic fundamental approach in making investment decisions. From time-to-time TA may use derivative products on a limited basis in client portfolios as part of a hedging strategy. Despite the fundamental, technical or any other type of analysis performed by TA, any investment in securities carries risk and uncertainty and investors may lose all or a portion of their principal investment.

TA maintains an investment philosophy and practices a discipline that is centered on long-term growth opportunities that we believe are undervalued. We recognize that on a short-term basis the stock market is often influenced by fads and emotion. However, over a longer period, consistent, quality earnings growth and a company's ability to increase its underlying value are the critical ingredients to increasing a company's value. Our investment philosophy and discipline incorporate time as an ally providing the necessary financial foundation to support successful investment portfolios.

The equity (stock) portion of the asset allocation may be invested in individual equity securities that can be easily converted to cash and exhibit a strong potential for growth of principal and income. Companies which do not currently pay a dividend may be considered for investment. Cash will be invested in highly liquid money market funds, high quality commercial paper and US Treasury Bills or repurchase agreements.

TA buys companies that are "value priced" based on their future prospects, and we attempt to minimize transaction costs in the way we execute trades. We incorporate principles of diversification to mitigate risk, and may or may not use margin, although some of the underlying securities that are purchased for client accounts may utilize internal leverage.

#### **Fixed Income Philosophy and Discipline**

TA generally incorporates a buy-and-hold strategy for fixed income securities, with specific focus on credit quality and average maturity of the portfolio. Our philosophy incorporates a discipline that emphasizes liquidity, credit quality, after-tax yield and undervalued situations relative to "normal" yield spread

relationships and inflation expectations. Through implementation of our philosophy, we believe we can successfully reduce risk and enhance total return from fixed income securities. Low portfolio turnover leads to lower transaction costs, which enhances portfolio returns. Investment decisions in fixed income involve fundamental analysis of the issuer (see above) and a focus on general market risk, interest rate risk, re-investment risk, ill-liquidity risk and the risk of capital loss inherent in the individual security. Third-party rating agency reports are a source of research support.

The fixed income portion of the portfolio asset allocation will generally be invested in highly liquid, investment-grade individual securities. These securities may include any or all of the following: US Treasury securities, US Government Agency securities, corporate and municipal bonds, mortgage backed securities or preferred stock. Cash will be invested in highly liquid money market funds, including FDIC sweep vehicles, high quality commercial paper and US Treasury Bills or repurchase agreements. Many fixed income securities are held for multiple years and from time to time the credit strength of the issuer may change and the credit rating may drop below investment grade standards. TA may continue to hold the security if it is determined, after analyzing applicable variables, that it is in the best interest of the client. From time to time, and under infrequent circumstances, TA may purchase bonds that are not rated investment grade. In each situation, TA would purchase these bonds only after appropriate analysis to determine that an investment in the particular bond would likely generate positive returns. TA may, from time to time, purchase bonds that carry a split rating where one rating agency deems it to be investment grade and another agency deems the credit to be less than investment grade.

Despite the analysis performed by TA, any investment in securities carries risk and uncertainty and investors may lose all or a portion of their principal investment.

### **Performance Disclosure**

Investments in the capital markets are subject to risk and uncertainty and may result in loss of principal. Client portfolio results are subject to the effect of material market or economic conditions and results will be impacted in a positive or negative way based on those conditions regardless of security selection. Portfolio results are impacted by advisory fees, brokerage or other commissions, and any other expenses that a client may pay. Returns are determined by including the change in the price of a particular security and may be based on the reinvestment of dividends and other earnings. Any performance comparison to any benchmark may or may not be of value in evaluating portfolio performance. Benchmarks or indices vary in composition and risk parameters such as volatility and may be materially different from that of the client's portfolio. Equity portfolios are managed with a view toward income generation and capital appreciation. Equity securities may or may not pay dividends. Analysis of model portfolios, if any, and benchmarks results can be of limited usefulness, particularly the fact that such results may not represent actual trading and may not reflect the impact that material economic and market factors might have had on the client portfolio decision-making. Important factors in client portfolio results may change materially during the evaluation period such as objectives, economic and capital market conditions, or investment. Past client portfolio results and any of the securities contained in, or the investment strategies followed with respect to, the model or client portfolio do not relate, or only partially relate, to the type of advisory services currently offered by the adviser. For example, an internal management tracking portfolio or past client portfolio may include some types of securities that the adviser no longer recommends for its clients. Past client results may relate to only a select group of portfolios. Other past client portfolio results may be materially different from results portrayed in the model or past client results. Despite the analysis performed by TA, any investment in securities carries risk and uncertainty and investors may lose all or a portion of their principal investment.

### **Disciplinary Information**

Neither TA nor its principals has been subject to any lawsuits or professional disciplinary action.

### **Other Financial Industry Activities and Affiliations**

Neither TA nor its management persons is engaged in business as a broker-dealer, registered representative of a broker-dealer, futures commission merchant (FCM), commodity pool operator (CPO), a commodity trading advisor (CTA) or associated person of a FCM, CPO or CTA. Moreover, neither TA nor its management persons has any affiliated relationship or arrangement with a broker-dealer, municipal securities dealer, government securities dealer, investment company, other pooled investment banking or thrift institution, accountant, accounting firm, insurance company, insurance agency, pension consultant, real estate broker, real estate dealer, or a sponsor or syndicator of limited partnerships. From time to time, TA has given referrals to clients for professional accounting, legal or insurance services and has disclosed if the referral involved any family relationship. Accepting or rejecting the referral has been the client's decision. TA does not have any arrangements whereby it receives compensation for recommending third-party advisers to clients.

Additional affiliations of Alan B. Tingey, CFA and Jon D. Tingey, CFA are as follows:

#### **Alan B. Tingey, CFA**

- Former shareholder and director of ISYS Technologies - a privately held computer manufacturer headquartered in Salt Lake City, Utah. Resigned as director January 31, 2013. Alan has not recommended securities issued by ISYS to advisory clients.
- Shareholder of Rich Broadcasting – a privately held media company with radio stations in the state of Idaho.
- Shareholder of Genesis Poly, LLC – a privately held chemical company.

- CFA Society of Salt Lake – the local society of CFA Institute, a global nonprofit member organization of financial analysts, portfolio managers and other investment professionals.
- Member, 2101 Partners, LLC – owns office building serving as residence for Tingey Advisors, Inc.

#### **Jon D. Tingey, CFA**

- Former shareholder and director of ISYS Technologies - a privately held computer manufacturer headquartered in Salt Lake City, Utah. Resigned as director January 31, 2013. Jon has not recommended securities issued by ISYS Technologies to advisory clients.
- Shareholder and former director of Amendment II - a privately held manufacturer of body armor for the military, law enforcement and commercial industries. Resigned as director January 24, 2013. Jon has not recommended securities issued by Amendment II to advisory clients.
- Shareholder and former director of Rich Broadcasting – a privately held media company with radio stations in the state of Idaho. Resigned as Director February 11, 2015. Jon has not recommended securities issued by Rich Broadcasting to advisory clients.
- Shareholder of Genesis Poly, LLC – a privately held chemical company.
- Shareholder of Aesther Healthcare Acquisition Corporation
- CFA Society of Salt Lake – the local society of CFA Institute, a global nonprofit member organization of financial analysts, portfolio managers and other investment professionals.
- Former director of Granite Education Foundation – a private foundation whose mission is to further the education of children and success of teachers in the Granite School District. Resigned as director in June 2019.
- Managing Member, Mount Olympus Volleyball Club, LLC, dba JDTGWT Properties, LLC – property management and rental.
- Member, 2101 Partners, LLC – owns office building serving as residence for Tingey Advisors, Inc.

Time spent on the other affiliations noted above represents less than 5% of the principals’ total time.

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

A fundamental policy of our business is to avoid conflicts of interest between a Control Persons and our clients. Tingey Advisors has adopted a Code of Ethics that promotes the fiduciary duty and standard of care by its owners, officers, directors, as well as any employee of TA who is involved in providing such services – whether by way of security analysis, recommendation, execution of trading orders, portfolio management or otherwise (hereafter “Covered Persons”). It also promotes confidentiality of information, suitability of investments, personal trading, and disclosure of conflicts of interest. A copy of TA’s Code of Ethics is available upon request for any client or prospective client.

One of the practices that presents a potential conflict of interest is that of trading in the securities that are being purchased or sold, or considered for purchase or sale, for clients’ portfolios by Covered Persons for accounts in which they have a beneficial ownership interest or which they control. The Investment Advisors Act of 1940 (“Advisors Act”) and other federal and state securities laws and rules generally prohibit fraudulent, deceptive, or manipulative trading by persons affiliated with investment advisers with respect to securities held, to be acquired or under consideration for purchase or sale by the advisory clients. This prohibition extends to trading in furtherance of personal interests to the detriment of TA and/or its clients as well as any attempt to benefit from the market impact of their anticipated or actual transactions. The Securities and Exchange Commission (“SEC”) regulations require the adoption of procedures designed to prevent such fraudulent conduct.

As part of the code of ethics adopted by TA and agreed to by all Control Persons, Tingey Advisors or its owners and employees may buy or sell securities which the firm has purchased for its clients. Purchases and sells of assets in the Tingey Advisors profit sharing account, other TA qualified plan accounts, or other family relationship accounts of the principals of TA, that are not employees or principals, may be done at the same time as purchases and sells for other managed accounts; however, we attempt to treat all participants in a trade equally with respect to the outcome of the transaction.

Personal transactions initiated by owners and employees of Tingey Advisors must be cleared by the Chief Compliance Officer of the firm or one of the principals of the firm prior to the execution of that transaction. As it pertains to personal, individual trades (other than those for the Tingey Advisors Profit Sharing portfolio or other TA qualified plans; or other family relationship accounts that are not employees or principals which are included in trades simultaneously with other clients), after receiving approval to perform the transaction, the individual signs a “Personal Trading Authorization Form” stating the following: “I confirm that: (a) to my knowledge and belief, there presently is no outstanding order to purchase or sell the above-listed security for TA-managed account or portfolio; (b) there is no outstanding oral or written communication with respect to that security that has not been acted upon or rejected; (c) I have no present intention to purchase or sell that security for a TA client and am not aware that such security is “being considered” by anyone with discretionary authority over trading of behalf of a TA client and (d) I am not in possession of material non-public information with respect to the security described above nor am I making the transaction described above on the basis of inside information. I further confirm that the above conditions have existed during this entire business day.

### Allowable Trades in Proprietary Accounts

Because TA, its owners and employees buy and sell some of the same securities recommended to advisory clients from time to time, it may create a conflict of interest; however, TA attempts to minimize that conflict of interest by instituting policies that give clients priority over personal transactions of TA, its owners and employees.

TA acknowledges that a potential conflict of interest exists for preferential treatment for proprietary accounts such as the Cannon Tingey Investment Advisors Profit Sharing Plan and the Tingey Advisors Defined Benefit Plan, or other proprietary accounts including family member's accounts of TA Principals, inasmuch as beneficiaries of these accounts may be TA control or access persons. TA further acknowledges that if preferential treatment were given it could have a negative impact on clients' accounts. The TA code of ethics policy allows for trades in these accounts to be made without the personal trading authorization (PTA) procedures required of personal trades of TA control or access persons. This allowance is subject to the following conditions: 1) proper disclosure in TA's ADV acknowledging that a potential conflict of interest exists with these accounts; 2) the account owner must have signed TA's investment management agreement; 3) the accounts are being managed as per written investment guidelines. Such trades are allowable without completing a PTA form. To ensure that proprietary accounts do not receive preferential treatment, TA will undergo periodic internal audits as part of TA's risk assessment process to determine that the proprietary accounts do not or did not receive preferential treatment with respect to trade executions.

Furthermore, the TA code of ethics allows for trades in accounts owned by certain control persons or related parties to be made without the PTA procedures required of individual trades of TA control or access persons. This allowance is subject to the following conditions: 1) proper disclosure in TA's ADV acknowledging that a potential conflict of interest exists with these accounts; 2) account managed by an Investment Advisory Representative (IAR) other than the owner of the account; 3) the owner must have signed TA's investment management agreements; 4) the accounts are being managed as per written investment guidelines. Such trades are allowable without completing a PTA form. To ensure that proprietary accounts do not receive preferential treatment, TA will undergo periodic audits as part of TA's risk assessment process to determine that the proprietary accounts do not or did not receive preferential treatment with respect to trade executions.

### Brokerage Practices

Tingey Advisors will affect trades through the custodian selected by the client if the custodian is also a broker-dealer. When discretion is given to TA to make trades away from the client-designated custodian that settle at said custodian, TA will select established brokers who can execute trades in a timely, effective, and fair manner. Commission rates paid to brokers are believed to be reasonable for the services provided. Tingey Advisors may enter into "soft dollar" arrangements in order to receive certain investment products, investment research or investment services. Currently, the only soft-dollar products being purchased are described below along with the associated broker for accounts currently using Wells Fargo Bank or U.S. Bank as custodians.

<u>Product</u>	<u>Broker</u>
Indata (historical market performance data)	Gordon Haskett & Co.

All clients benefit from the products, research and services obtained from soft dollar commissions regardless of whether they pay for them through commissioned-based transactions. Commissions generated to pay for soft dollar items are generally done at a commission rate, as negotiated between TA and Gordon Haskett & Co on a trade-by-trade basis (a higher number of shares to be traded may result in lower agreed upon per share commission; conversely, a lower number of shares to be traded may result in higher agreed upon per share commission). Tingey Advisors believes that no clients are materially disadvantaged for trades done through a soft dollar arrangement. However, clients who use the custodial services of a brokerage firm, i.e. Charles Schwab, may not have trades which are executed through a "soft dollar" broker.

Tingey Advisors may refer brokers or trust companies to serve as custodians for the client's assets; however, the actual selection of a custodian rests with the client. TA believes all clients benefit by maintaining multiple custodial options. From time to time, TA may or may not use its discretionary authority over broker-dealers to purchase or sell an asset for the client outside of the client-selected custodian's inventory with the directive that such trade will settle in the client's account of the client-selected custodian. Tingey Advisors may also explain that should the client choose to use a broker as a custodian for their assets that the broker/custodian will generally serve as the broker of choice for transactions within their portfolio. Should a client choose to select his own broker, the commission charged by the client's broker may be more or less than that which brokers that are working with TA would charge. On occasion, a client may contact his/her broker directly to place a trade or ask TA to place a trade on his/her behalf through his/her own custodian. As stated above, the client chooses his/her custodian which may have a bearing on which broker-dealer is used to affect trades.

On occasion, TA may engage in "block trading" which involves aggregating multiple accounts to participate in the purchase or sale of a security at one time. Such action allows multiple clients to receive the same price for a similar transaction and allows the portfolio manager to act in a timely manner. Block trades of sufficiently large quantity may or may not have a slightly detrimental effect on the transaction price realized by the individual client. Accounts may be reviewed individually and may not be part of a "block trade" due to individual considerations.

### Review of Accounts

Management of client portfolios by portfolio managers is ongoing as part of the normal course of business to ensure that portfolios are managed according to clients' investment guidelines. Investment guidelines include asset allocation ranges. Portfolios are generally managed within those ranges; however, from time to time, portfolios may be managed with assets outside the prescribed ranges. Additionally, if TA is managing multiple client portfolios, TA may, from time to time, combine those portfolios together with respect to investment guideline ranges. Formal client reviews, including performance summaries, may be held from time to time based on the client's desires. Informal reviews and client updates may also be done from time to time, in person, by email, telephone, or online, at the request of the client. TA promotes an "open-door policy" with its clients and is committed to the principle of client communication.

Each client has a "lead" portfolio manager that is responsible for implementing a strategy consistent with the client's investment objective and to be the direct interface with the client, including performance reviews. A portfolio manager that is not assigned as the "lead" portfolio manager provides support for the lead manager in his absence.

### Internal Reviews

Client portfolios are reviewed on an ongoing basis as a normal course of business. Internal audits are conducted from time to time, to ensure that the position of the clients' portfolio matches the clients' stated investment guidelines. From time to time, certain capital market conditions may exist that would allow portfolio managers to temporarily manage asset allocations outside the prescribed ranges. Additionally, portfolio managers may use investment committee meetings to discuss specific client-related investment matters along with the analysis of general market conditions and investment strategy.

### Client Reports and reviews

Clients may receive a statement of account from Tingey Advisors, Inc. at the end of each quarter in addition to monthly statements from their custodian. Additionally, TA may deliver a quarterly newsletter containing a summary of the markets and general economic and financial information to the clients with their quarterly statement. Topical market commentaries are provided to clients from time to time. Formal reviews may be conducted on a frequency and time which is mutually agreed to by the client and Tingey Advisors.

## **Client Referrals and Other Compensation**

Tingey Advisors does not compensate third parties for client referrals, nor does it receive compensation from any third party for advisory services it provides clients.

### **Custody**

Rule 206(4)-2 of Section 206(4) of the Investment Advisers Act of 1940 otherwise known as "Custody Rule" is designed to protect client funds or securities from being lost, misused, or misappropriated. The Securities and Exchange Commission in their letter dated February 21, 2017 stated that "custody" of a client's assets would include, "any arrangement... under which [an investment adviser is] authorized or permitted to withdraw client funds or securities maintained with a custodian upon [its] instruction to the custodian..."

Clients who hire Tingey Advisors place their investable assets with a large financial institution who acts as custodian and physically holds client assets. However, clients who hire Tingey Advisors to manage their portfolio, may from time to time set up a standing letter of authorization with the custodian to facilitate the movement of money from the custodial account to another account that the client specifies in writing. Furthermore, the client may from time to time authorize Tingey Advisors to initiate the movement of money through said standing letter of authorization via ACH transfer, check, or journal transfer, to an account prescribed by the client. Under the SEC's interpretation of Rule 206(4)-2, this constitutes Tingey Advisors having custody of those assets.

Tingey Advisors does not accept standing letters of authorization set up by client with the custodian with respect to first party or third-party wire transfers. Any wire transfer made from client account will require specific written instruction in a form acceptable to the custodian, by the client at the time of the wire transfer. In the event that the client sets up a standing letter of authorization for the movement of money via ACH transfer, check, or journal to another account, and gives Tingey Advisors authorization to initiate those transactions, Tingey Advisors will only act on the authorization if a client's respective custodian certifies that it meets #1, #2, #3, #4, #5 and #7 of the following conditions -- Tingey Advisors meets condition #6.

1. 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.
2. The client authorizes Tingey Advisors, 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.
3. 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.
4. The client has the ability to terminate or change the instruction to the clients qualified custodian.
5. Tingey Advisors 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.
6. Tingey Advisors maintains records showing that the third party is not a related party of TA or located at the same address as TA.
7. The client's qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

Furthermore, Tingey Advisors is deemed to have custody of client assets since it deducts management fees directly from client accounts as authorized by the client. TA may refer brokers or trust companies to serve as custodians for the client's assets, but the actual selection of a custodian to hold assets rests with the client.

In addition to the custodian's monthly account statement sent directly to the client, TA may send a statement on a quarterly basis. Clients should carefully review and compare the statements from the broker-dealer/custodian with those from Tingey Advisors.

### **Investment Discretion**

Tingey Advisors will honor appropriate parameters established by the client at the time investment management services are agreed upon. Clients may place limitations on TA's discretionary authority in the purchase of individual securities, participating in specific industry sectors, asset allocations or other factors deemed important by the client.

As an investment advisor, Tingey Advisors will buy and sell securities in keeping with the client's investment guidelines and also prudent industry practices. Once a client gives investment discretion to TA, portfolio managers at TA do not seek prior approval from the client when making investment decisions. Regular communication and reporting will occur which will allow clients to refine investment guidelines over time.

#### **Voting Client Securities**

Tingey Advisors may, using its own discretion, perform proxy voting on behalf of the client unless the client desires to retain that responsibility.

By policy, Tingey Advisors will generally vote in accordance with the suggestion(s) of the Board of Directors of the respective companies for which TA is exercising its authority to vote the proxy. TA will generally sell its investment position in a company should TA disagree with the capability of existing management. Following the suggestion(s) of the Board of Directors will include, but is not limited to, such items as changes in corporate governance structures, adoption of amendments to compensation plans (including stock options), and matters involving social issues or corporate responsibility. Should TA feel the need to vote against the Board of Director's suggestion(s), TA will note the exception explaining the reasoning behind a vote against the Board of Director's suggestion(s). TA recognizes that there may be material conflicts of interest between its interests and those of its clients. However, TA policy and procedures strives to minimize those conflicts.

Procedurally, TA has instructed the respective custodians to deliver all proxy voting information to TA. TA then reviews the proxy information and unless noted will vote in favor of the Board of Directors suggestion(s). Specific information concerning the date of the meeting, issues presented for vote by shareholders as well as the Board of Directors suggestion(s) can be accessed via the internet at [www.sec.gov](http://www.sec.gov). Information can also generally be accessed by going directly to a company's web site.

#### **Financial Information**

As stated in the Fees and Compensation section, Tingey Advisors bills its fees on a quarterly basis in advance. TA has no financial condition or obligation that would prevent it from meeting all contractual commitments to its clients, nor has TA ever filed for bankruptcy.

#### **Requirements for Advisors**

Tingey Advisors, Inc. is owned by two equal shareholders, Alan B. Tingey, CFA (age 70) and Jon D. Tingey, CFA (age 61). Both serve as officers and directors. Jon D. Tingey, CFA directs the investment committee that determines general investment strategy. Other members of the investment committee are Alan B. Tingey, CFA, Jan A. Pazzi, CFA and Michael A. Pazzi. Each client has a "lead portfolio manager" for the purpose of specific strategy implementation and communication. Alan B. Tingey, CFA, Jon D. Tingey, CFA and Jan A. Pazzi, CFA are portfolio managers and when not acting as "lead portfolio manager", provide support to the other managers as needed.

#### **Other Business of Tingey Advisors.**

Whereas providing investment advice is TA's primary business, from time to time it provides services that do not include direct investment advice. For example, TA will periodically engage in general consulting services for various firms or individuals in areas including, but not limited to, providing expert witness services, general financial consulting, general management consulting, personal and corporate consulting, or a project requested by a client which may or may not involve investment advice. Additionally, as disclosed above, Jon D. Tingey, CFA is the managing member of, and is the original founder, the Mount Olympus Volleyball Club, LLC dba JDTGWT Properties. As noted above, time spent on affiliations other than TA represents less than 5% of the principals' total time.

#### **Fees Based on Performance**

Tingey Advisors does not charge fees based on performance.

#### **Other Legal and Disciplinary Events**

Tingey Advisors and/or its principals have not been involved in any legal or disciplinary events that would be material to the evaluation of the advisory business or the integrity of Alan B. Tingey, CFA or Jon D. Tingey, CFA. Neither TA nor its principals have been the subject of a bankruptcy petition.

#### **Affiliation with Issuer of Securities**

As disclosed in the section entitled "Other Financial Industry Activities and Affiliations," Alan B. Tingey, CFA and Jon D. Tingey, CFA are shareholders and former directors of ISYS Technologies, Inc. – a private company located in Salt Lake City, Utah that previously raised capital. Jon and Alan have not recommended securities in ISYS Technologies to their advisory clients; however, they have heretofore introduced, but do not currently introduce, certain TA clients to ISYS Technologies as a private investment opportunity. Certain TA clients have chosen, through their own discretion and without a specific recommendation from Alan B. Tingey, CFA or Jon D. Tingey, CFA, to purchase securities in ISYS Technologies, for which Alan and Jon received no commission or any other compensation. Nevertheless, the principals of TA acknowledge and disclose that a conflict of interest may exist by virtue of their joint interests.

Jon Tingey is a shareholder of Amendment II - a local, private company engaged in the production of body armor that raises capital. Jon was formerly a director of Amendment II but resigned his position on January 24, 2013. Jon and Alan are current shareholders of Rich Broadcasting – a local, private company that owns and operates various radio stations in Idaho. Jon was formerly a director of Rich Broadcasting but resigned his position on February 11, 2015. Jon and Alan are shareholders of Genesis Poly a private chemical company. Jon is a shareholder in Aesther Healthcare Acquisition Corporation. Neither Jon D. Tingey, CFA nor Alan B. Tingey, CFA have introduced or recommended investment in Amendment II, Rich Broadcasting, Genesis Poly or Aesther Healthcare to advisory clients.