

Item 1 - Cover Page

O'Bannon & Davis Inc.
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March 26, 2019

This Brochure provides information about the qualifications and business practices of **O'Bannon & Davis Inc.** If you have any questions about the contents of this Brochure, please contact us at **716-856-7555**. 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.

O'Bannon & Davis Inc. is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about **O'Bannon & Davis Inc.** also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

On July 28, 2010, the United State Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure dated [March 26, 2019](#) is a new document prepared according to the SEC’s new requirements and rules. As such, this Document is materially different in structure and requires certain new information that our previous brochure did not require.

In the future, this Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our brochure.

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting [William R Davis, President](#) at 716-856-7555. Our Brochure is also available on our web site www.obdw.com, also free of charge.

Additional information about [O’Bannon & Davis Inc.](#) is also available via the SEC’s web site www.adviserinfo.sec.gov. The SEC’s web site also provides information about any persons affiliated with [O’Bannon & Davis Inc.](#) who are registered, or are required to be registered, as investment adviser representatives of [O’Bannon & Davis Inc.](#)

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Item 4 – Advisory Business

O'Bannon & Davis Inc (“the advisor,” or “the firm”) is a New York State Registered Investment Advisory firm and an independent insurance agency serving individuals, small- and medium-sized businesses, and even not-for-profit organizations since 1997. Its principal owner and President is William R Davis. O'Bannon & Davis Inc. services include; asset portfolio supervision and management, financial planning, tax and estate planning and insurance advice. Some of the securities instruments O'Bannon & Davis Inc. advises its clientele on include, bonds, equities, mutual funds, exchange traded funds, treasuries, commodities and/or real estate.

Ongoing Asset Management

On a discretionary basis, we may design, revise, and reallocate a custom portfolio for you. Investments are determined based upon factors such as your investment objectives, risk tolerance, net worth, net income, age, time horizon, tax situation and other various suitability factors. Restrictions and guidelines imposed by the client may affect the composition and performance of custom portfolios (as a result, performance of custom portfolios within the same investment objective may differ and the client should not expect that the performance of his/her custom portfolios will be identical to any other individual's portfolio performance).

Discretionary assets under our firm's management were **\$28,124,110** as of **March 26, 2019**

Financial Planning

We may prepare a written financial plan for our clients. Our financial planning services may involve consultation, analysis, and recommendations in the six areas of financial planning, which include (1) financial situation; (2) income taxes; (3) insurance; (4) investments; (5) retirement planning; and (6) estate planning. In order to determine a suitable course of action for an individual client, we will perform a review of the variables that are presented. This review may include, but would not necessarily be limited to, investment objectives, consideration of your overall financial condition, income and tax status, personal and business assets, risk profile, and other factors unique to your particular circumstances. We will review your present financial situation and issue a written analysis and report of recommendations in accordance with your goals and objectives. This service may include an initial consultation and subsequent follow-up visits. The services provided in this regard may include but would not be limited to the following:

- * Prepare an annual net worth statement;
- * Create a cash flow statement;
- * Review current investments and make recommendations thereon;
- * Review client's most recent tax returns
- * Review client's life insurance and disability insurance and make recommendations
- * Review client's estate plan and make recommendations
- * Complete a retirement analysis; and
- * Provide education planning advice.

Unless engaged separately to do so, we will not be responsible for the implementation of the plan. You assume full responsibility for the implementation of the plan.

Individual Consultations

We also provide advisory or consulting services not involving the other services already described herein but still pertaining to investments or investment-related matters. As part of these services, we may or may not provide any written documentation or other work product. Such services may include, but would not be limited to, the following:

- * One-time analysis of investment accounts/portfolios;
- * Telephonic, electronic, or in-person consultations/communications regarding investments or investment-related matters;
- * Serving as an expert witness in judicial or arbitration proceedings;
- * Conferring with other professionals or service providers (i.e. accountants, CPAs, attorneys, etc.) regarding investments or investment-related matters on your behalf; and/or
- * Other service as may be specifically requested.

If you wish to engage us for some type of service not specifically mentioned or referred to in the services noted above, you may provide us with guidance as to the scope of the engagement. Regardless of the services ultimately requested, the specific services and corresponding fees will be set forth in some form of written agreement.

Pension Consulting

We offer pension consulting services to various types of pension plans, including, but not limited to, profit sharing plans, employee stock ownership plans, and 401(k) plans. Collectively, we consider these types of plans as a specific segment of our client base and in turn, we will refer to these types of plans as "Pension Clients." We gather and review extensive information regarding each Pension Client on an individualized basis including each Pension Client's objectives and needs. Our pension consulting services include plan feasibility, plan design, plan review, document preparation, plan amendments and assistance with Department of Labor and/or IRS issues, among others. Other than those briefly described above, there are several distinct activities that may be available under our pension consulting services. These services may be provided separately or in combination with one another. Although not all-inclusive, the following information will describe some of the activities offered under our pension consulting services.

Preparation of Investment Policy Statement ("IPS"):

We may meet with a Pension Client to determine the relevant plan's investment needs and goals. If required by the Pension Client, we will then prepare a written IPS stating those needs and goals and encompassing a policy under which these goals are to be achieved. The IPS will also list the criteria for selection of plan's investment options/vehicles and the procedures and timing interval for monitoring of investment performance.

Recommendation of Investment Options:

The number and type of investment options/vehicles to be recommended will be determined by the Pension Client, based upon the plan's stated needs. We will review various investments, consisting predominantly of mutual funds (both index and managed) to determine which of these investments are appropriate to implement the Pension Client's IPS. Our review process will result in the recommendation of specific investment options for the Pension Client to consider for inclusion in the list of plan investment options.

Monitoring of Investment Performance:

A plan's investment options will be monitored continuously based on the procedures and timing intervals delineated in the IPS or as otherwise set forth by the Pension Client. Although we will not be involved in any way in the purchase or sale of these investments, we will supervise the plan portfolio and will make recommendations to the Pension Client as market factors and the plan's needs dictate.

Plan Performance Reporting:

In conjunction with our monitoring activities, we may also provide periodic reports regarding the performance of a pension plan and its underlying investment options. Such reports may include analysis from both us as well as outside parties engaged by us to provide additional analysis in regard to such plans. Such outside parties would be engaged exclusively by use and not by a Pension Client.

Employee Communications:

For Pension Clients whose plans offer plan participants the ability to self-direct their own investments, we may also provide educational support and investment workshops designed for the plan participants. The nature of the topics to be covered will be determined by us and in conjunction with a Pension Client under the appropriate ERISA guidelines. The educational support and investment workshops will not be designed so as to provide plan participants with individualized, tailored investment advice or individualized, tailored asset allocation recommendations.

Advice to Participants:

We may also provide individualized advice to plan participants. This service includes a review of a participant's individual situation, including age, existing assets, financial goals and attitude towards risk, and recommending an allocation of assets offered by the plan based on this information. Unless separately engaged to do so by a plan participant, we will not monitor a plan participant's situation or otherwise supervise or consult on the ongoing management of a participant's assets within the plan or otherwise.

Item 5 – Fees and Compensation

Below is the fee structure for all of the services provided by O'Bannon & Davis Inc. All fees are subject to negotiation and at the sole discretion of O'Bannon & Davis Inc.

Investment Supervisory Services

The firm provides investment supervisory services for client accounts. These accounts will be discretionary. Clients who allow the investment advisor discretion with regard to that client's account will be asked to sign a limited power of attorney allowing the investment advisor to choose the types and quantities of investments in a client's account without prior, specific authorization from the client.

Supervisory services are always individualized.

Fees for the supervisory management services are assessed as a percentage of the account assets under management, calculated, invoiced and payable quarterly in advance according to the following schedule:

Discretionary account management:

<u>Account size</u>	<u>Annual / Quarterly Fee</u> (% of assets under management)
-	
From \$ 0 to \$250,000	up to 1.5%
From \$250,001 to \$2,000,000	up to 1%
From \$2,000,001 and above	up to .75%

The specific manner in which fees are charged by O'Bannon & Davis Inc. is established in a client's written agreement with O'Bannon & Davis Inc. O'Bannon & Davis Inc. will generally bill its fees on a quarterly basis. Clients may elect to be billed in advance or arrears each calendar quarter. Clients may also elect to be billed directly for fees or to authorize O'Bannon & Davis Inc. to directly debit fees from client accounts. Management fees shall [or shall not] be prorated for each capital contribution and withdrawal made during the applicable calendar quarter (with the exception of de minimis contributions and withdrawals). Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any account, any prepaid, unearned fees will be promptly refunded (prorated refund based upon the number of days services were provided in the quarter), and any earned, unpaid fees will be due and payable.

O'Bannon & Davis Inc.'s fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to O'Bannon & Davis Inc.'s fee, and O'Bannon & Davis Inc. shall not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that O'Bannon & Davis Inc. considers in selecting or recommending broker-dealers for *client* transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

Financial Plans

The firm charges a fee of \$2,500 to produce a financial plan. The fee is negotiable, depending upon factors such as any assets under management and other services provided to the client. The fee is payable upon completion of the plan.

Hourly Fees :

Hourly fees of \$150 per hour may be an alternative for some clients in cases where clients simply want a portfolio reviewed and assessed. This fee is negotiable, based on the amount of work involved

Flat Fee :

For clients seeking a 529 plan for their children's education we recommend the New York plan, a self-directed plan. For \$300 we will process the necessary paperwork and make the asset allocation decisions for the client.

Fixed Hourly or Flat fees are **payable in 30 days** of invoicing for work done.

Advice on non-securities matters

Associates of the firm may be independently licensed to sell various forms of insurance - life, health, and long-term care insurance - and can provide advice on insurance products deemed suitable to a client's overall financial plan.

Financial plans may include such non-securities considerations as estate or education planning, tax planning, etc.

Clients who choose to purchase recommended insurance products through the advisor should be aware that the person making the recommendation may receive the usual commission for an insurance product and hence has an incentive to make the recommendation, an inherent conflict of interests.

Other advice about securities:

Suitable clients may be referred to various third party money managers, in which case the firm and/or its representative may share in the fee the client pays to that third party. Details of any such program to which clients are referred will be provided in the Disclosure Brochure (Form ADV Part II and Schedule F) for that firm.

All fees are negotiable, based on other services to be provided, the longevity of the relationship, or reasonable expectations of increased future relationship, among other factors at the advisor's discretion.

Pre-paid fees for personalized services must offer a refund, minus any reasonable start-up expenses, for services terminated prior to completion.

Item 6 – Performance-Based Fees and Side-By-Side Management

O'Bannon & Davis Inc. does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

Item 7 – Types of Clients

O'Bannon & Davis Inc. provides portfolio management services to individuals, high net worth individuals, corporate pension and profit-sharing plans, Taft-Hartley plans, charitable institutions, foundations, endowments, and corporations or other business entities.

O'Bannon & Davis Inc. does not impose a minimum portfolio size or investment size to open and account, but it does reserve the right to accept or decline a potential client for any reason in its sole discretion.

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

8.(A). Methods of Analysis

In the course of our management process and as appropriate on a case by case basis, we will employ some or all of the following methods of analysis. For a description of the risks related to each particular method of analysis, see the information following each analysis method description. A description of each key risk appears later in this section.

Charting / Technical –

The terms “charting” and “technical” analysis are generally used synonymously and therefore, for the purpose of this document, we will use the term, “technical analysis.” In most cases, technical analysis involves the evaluation of historical market data such as price and volume of a particular security or investment instrument. Technical analysis often times involves the use of charts, graphs, and other tools to evaluate historical factors relating to the investment instrument and perhaps the market as a whole. The goal of technical analysis is to try to identify historical trading patterns that suggest future trading activity or price targets.

Key risk(s): Economic Risk, Financial Risk, Inflation Risk, Interest Rate Risk, Legal/Regulatory Risk, Market Risk, Operational Risk, and Strategy Risk.

Fundamental

Fundamental analysis is generally the considered the opposite approach to technical analysis. Fundamental analysis involves the attempt to identify the intrinsic value (i.e. the actual, true/real value) of an investment instrument by examining any related economic, financial, and other quantitative/qualitative factors relevant to that instrument. Fundamental analysis can take into account anything that may impact the underlying value of the instrument. Examples of such things may include large-scale economic issues such as the overall condition or current cycle of the economy, industry-specific or sector-specific conditions, etc. Other company/issuer-specific factors may also be taken into consideration such as the company's/issuer's current financial condition, management experience and capabilities, legal/regulatory matters, the overall type and volume of current and expected business, etc. One of the goals of fundamental analysis is to attempt to derive

a value that can be compared to the current market price for a particular financial instrument in hopes of determining whether the instrument is overpriced (time to sell) or underpriced (time to buy).

Key risk(s): Economic Risk, Financial Risk, Inflation Risk, and Interest Rate Risk.

Investing in securities or other investment products involves the risk of loss and you should be prepared to bear such losses.

8.(B). Investment Strategies

In the course of our management process and as appropriate on a case by case basis, we will employ any of the following investment strategies. For a description of the risks related to each particular investment strategy, see the information following each strategy description. The codes used below relate to risks described further below in this section.

Long-Term Purchase

Long-term purchases generally involve the acquisition of an investment instrument and holding it for a period of at least one year.

Key risk(s): Capital Risk, Economic Risk, Financial Risk, Inflation Risk, Interest Rate Risk, Legal/Regulatory Risk, Liquidity Risk, Market Risk, Operational Risk, Strategy Risk.

Short-Term Purchases

Short-term purchases generally involve the acquisition of an investment instrument and holding it for a period of not more than one year.

Key risk(s): Capital Risk, Economic Risk, Financial Risk, Higher Trading Costs, Interest Rate Risk, Legal/Regulatory Risk, Liquidity Risk, Market Risk, Operational Risk, Strategy Risk.

Trading

Trading generally involve the acquisition of an investment instrument and holding it for a period of at not more than thirty days.

Key risk(s): Capital Risk, Economic Risk, Financial Risk, Higher Trading Costs, Interest Rate Risk, Legal/Regulatory Risk, Liquidity Risk, Market Risk, Operational Risk, Strategy Risk.

Short Sales

Selling short involves the sale of an investment instrument that you do not own. In most cases, a short seller will have to go out and borrow or arrange for the borrowing of a particular investment instrument before selling short. When selling short, the seller is expecting the price of the underlying investment instrument to decline but if it does, the seller is able to sell the investment instrument(s) at the present day price (in effect at the time of entering into the short sale) and the profit potential is the difference between the sale price of the borrowed shares and the cost of purchasing the borrowed shares in order to make good on the delivery of the investment instrument(s) to the party on the other side of the initial short sale.

Key risk(s): Capital Risk, Economic Risk, Financial Risk, Legal/Regulatory Risk, Liquidity Risk, Market Risk, Operational Risk, Strategy Risk.

Option Writing (including covered/uncovered options or spreading strategies)

We will also employ the use of options trading in the event that such trading complements an investment strategy we may be carrying out for a particular client. An option is the right either to buy or sell a specified amount or value of a particular underlying investment instrument at a fixed price (i.e. the “exercise price”) by exercising the option before its specified expiration date. Options giving you the right to buy are called “call” options. Options giving you the right to sell are called “put” options. When trading options on behalf of a client, we may use covered or uncovered options or various strategies such as spreads and straddles. Covered options involve options trading when you own the underlying instrument on which the option is based. Uncovered options involve options trading when you do not own the underlying instrument on which the option is based. Spread options are options whose values are derived from the difference in price of two different underlying assets or components.

Key risk(s): Capital Risk, Economic Risk, Financial Risk, Higher Trading Costs, Interest Rate Risk, Legal/Regulatory Risk, Liquidity Risk, Market Risk, Operational Risk, Strategy Risk.

Margin Transactions

We may purchase securities for your portfolio with money borrowed from your brokerage account. This allows you to purchase more securities than you would be able to with your available cash, and allows us to purchase securities without selling other holdings. Margin transactions will only be conducted as directed by the client. A risk in margin trading is that, in volatile markets, securities prices can fall very quickly. If the value of the securities in your account minus what you owe the broker falls below a certain level, the broker will issue a “margin call”, and you will be required to sell your position in the security purchased on margin or add more cash to the account. In some circumstances, you may lose more money than you originally invested.

Clients should understand that investing in any securities or other investment products, including mutual funds, involves a risk of loss of both income and principal.

8.(C). Risk Disclosures

Capital Risk

Capital risk is one of the most basic, fundamental risks of investing; it is the risk that you may lose 100 percent of your money. All investments carry some form of risk and the loss of capital is generally a risk for any investment instrument.

Credit Risk

Credit risk can be a factor in situations where an investment’s performance relies on a borrower’s repayment of borrowed funds. With credit risk, an investor can experience a loss or unfavorable performance if a borrower does not repay the borrowed funds as expected or required. Investment holdings that involve forms of indebtedness (i.e. borrowed funds) are subject to credit risk.

Currency Risk

Fluctuations in the value of the currency in which your investment is denominated may affect the value of your investment and thus, your investment may be worth more or less in the future. All currency is subject to swings in valuation and thus, regardless of the currency denomination of any particular investment you own, currency risk is a realistic risk measure. That said, currency risk is generally a much larger factor for investment instruments denominated in currencies other than

the most widely used currencies (U.S. dollar, British pound, German mark, Euro, Japanese yen, French franc, etc.).

Economic Risk

The prevailing economic environment is important to the health of all businesses. Some companies, however, are more sensitive to changes in the domestic or global economy than others. These types of companies are often referred to as cyclical businesses. Countries in which a large portion of businesses are in cyclical industries are thus also very economically sensitive and carry a higher amount of economic risk. If an investment is issued by a party located in a country that experiences wide swings from an economic standpoint or in situations where certain elements of an investment instrument are hinged on dealings in such countries, the investment instrument will generally be subject to a higher level of economic risk.

Financial Risk

Financial risk is represented by internal disruptions within an investment or the issuer of an investment that can lead to unfavorable performance of the investment. Examples of financial risk can be found in cases like Enron or many of the dot com companies that were caught up in a period of extraordinary market valuations that were not based on solid financial footings of the companies.

Higher Trading Costs

For any investment instrument or strategy that involves active or frequent trading, you may experience larger than usual transaction-related costs. Higher transaction-related costs can negatively affect overall investment performance.

Inflation Risk

Inflation risk involves the concern that in the future, your investment or proceeds from your investment will not be worth what they are today. Throughout time, the prices of resources and end-user products generally increase and thus, the same general goods and products today will likely be more expensive in the future. The longer an investment is held, the greater the chance that the proceeds from that investment will be worth less in the future than what they are today. Said another way, a dollar tomorrow will likely get you less than what it can today.

Interest Rate Risk

Certain investments involve the payment of a fixed or variable rate of interest to the investment holder. Once an investor has acquired or has acquired the rights to an investment that pays a particular rate (fixed or variable) of interest, changes in overall interest rates in the market will affect the value of the interest-paying investment(s) they hold. In general, changes in prevailing interest rates in the market will have an inverse relationship to the value of existing, interest paying investments. In other words, as interest rates move up, the value of an instrument paying a particular rate (fixed or variable) of interest will go down. The reverse is generally true as well.

Legal/Regulatory Risk

Certain investments or the issuers of investments may be affected by changes in state or federal laws or in the prevailing regulatory framework under which the investment instrument or its issuer is regulated. Changes in the regulatory environment or tax laws can affect the performance of certain investments or issuers of those investments and thus, can have a negative impact on the overall performance of such investments.

Liquidity Risk

Certain assets may not be readily converted into cash or may have a very limited market in which they trade. Thus, you may experience the risk that your investment or assets within your investment may not be able to be liquidated quickly, thus, extending the period of time by which you may receive the proceeds from your investment. Liquidity risk can also result in unfavorable pricing when exiting (i.e. not being able to quickly get out of an investment before the price drops significantly) a particular investment and therefore, can have a negative impact on investment returns.

Market Risk

The market value of an investment will fluctuate as a result of the occurrence of the natural economic forces of supply and demand on that investment, its particular industry or sector, or the market as a whole. Market risk may affect a single issuer, industry or sector of the economy or may affect the market as a whole. Market risk can affect any investment instrument or the underlying assets or other instruments held by or traded within that investment instrument.

Operational Risk

Operational risk can be experienced when an issuer of an investment product is unable to carry out the business it has planned to execute. Operational risk can be experienced as a result of human failure, operational inefficiencies, system failures, or the failure of other processes critical to the business operations of the issuer or counter party to the investment.

Past Performance

Charting and technical analysis are often used interchangeably. Technical analysis generally attempts to forecast an investment's future potential by analyzing its past performance and other related statistics. In particular, technical analysis often times involves an evaluation of historical pricing and volume of a particular security for the purpose of forecasting where future price and volume figures may go. As with any investment analysis method, technical analysis runs the risk of not knowing the future and thus, investors should realize that even the most diligent and thorough technical analysis cannot predict or guarantee the future performance of any particular investment instrument or issuer thereof.

Strategy Risk

There is no guarantee that the investment strategies discussed herein will work under all market conditions and each investor should evaluate his/her ability to maintain any investment he/she is considering in light of his/her own investment time horizon. Investments are subject to risk, including possible loss of principal.

8.(D). Investment-Specific Risks

There is no single type of investment instrument that we predominantly recommend, however, please be mindful that all investments carry some form and degree of risk. Certain types of investments carry greater types and levels of risk than others and you should make sure that you fully understand not only the investment product itself but also the attendant risk factors associated with such products.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of O'Bannon & Davis Inc. or the integrity of O'Bannon & Davis Inc.'s management. O'Bannon & Davis Inc. has no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

Currently Mr. Davis is the President of O'Bannon & Davis Inc.

O'Bannon & Davis Inc. is an independent life insurance broker. Insurance activity, including the sale of Life, Disability and Long Term Care insurance products accounts for approximately 50% of our business.

Item 11 – Code of Ethics

O'Bannon & Davis Inc. has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at O'Bannon & Davis Inc. must acknowledge the terms of the Code of Ethics annually, or as amended.

O'Bannon & Davis Inc. anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which O'Bannon & Davis Inc. has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which O'Bannon & Davis Inc., its affiliates and/or clients, directly or indirectly, have a position of interest. O'Bannon & Davis Inc.'s employees and persons associated with O'Bannon & Davis Inc. are required to follow O'Bannon & Davis Inc.'s Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of O'Bannon & Davis Inc. and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for O'Bannon & Davis Inc.'s clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of O'Bannon & Davis Inc. will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own

accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of O'Bannon & Davis Inc.'s clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between O'Bannon & Davis Inc. and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with O'Bannon & Davis Inc.'s obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. O'Bannon & Davis Inc. will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.

O'Bannon & Davis Inc.'s clients or prospective clients may request a copy of the firm's Code of Ethics by contacting William R Davis.

It is O'Bannon & Davis Inc.'s policy that the firm will not affect any principal or agency cross securities transactions for client accounts. O'Bannon & Davis Inc will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

Item 12 – Brokerage Practices

There are several factors which O'Bannon & Davis Inc. considers when selecting or recommending broker/dealers (including those broker-dealer custodians) for client transactions. Among these factors are their qualitative services and reasonableness of compensation as described below.

Except in limited situations as noted in the client's advisory agreement and determined at the Commencement of a client relationship, O'Bannon & Davis Inc. has full discretion to determine which broker/dealer should be used to effect transactions for client accounts. O'Bannon & Davis Inc. typically uses TD Ameritrade as its broker-dealer custodian, but may use other broker-dealers. The following factors contribute to the decision on which broker-custodian is actually selected.

12.(A.) Selection Criteria

When performing Investment Management Services, O'Bannon & Davis Inc. generally affects all transactions for client accounts through TD Ameritrade or another broker-dealer custodian. O'Bannon & Davis Inc. typically does not allow client directed brokerage. O'Bannon & Davis Inc. periodically evaluates the commissions charged and the service provided by the custodian and compares those with other broker-dealers to evaluate whether overall best qualitative execution could be achieved by using alternative custodians. Other factors O'Bannon & Davis Inc. may consider when evaluating its choice of custodian include:

- Ability to trade mutual funds and other investments that O'Bannon & Davis Inc. determines suitable for a client's portfolio;
- Any custodial relationship between the client and the broker-dealer;
- Quality of customer service and interaction with O'Bannon & Davis Inc.;
- Discount transaction rates; and
- Reliability and financial stability

For those clients who are permitted to direct brokerage and select broker-dealers not recommended by O'Bannon & Davis Inc., clients should be aware that O'Bannon & Davis Inc. may not be able to negotiate specific brokerage commission rates with the broker on the client's behalf, or seek better execution services or prices from other broker-dealers. As a result, the client may pay higher commissions and/or receive less favorable net prices on transactions for their account than might otherwise be the case and O'Bannon & Davis Inc. will have limited ability to ensure that the broker-dealer selected by the client will provide best possible execution.

12.(B.) Soft Dollar Benefits

Soft dollar benefits are items such as research or other products or services (other than the typical execution and other brokerage services available to all other investment advisers) that we may receive from a broker-dealer or other party in connection with the client securities transactions we direct to that/a broker-dealer(s).

We do not participate in any soft dollar arrangements.

Item 13 – Review of Accounts

William R Davis, President, will perform reviews of client portfolios; reviews will be performed as agreed to, ranging from quarterly to annually.

Triggering factors for additional reviews may include movements within a position taken, major market or economic changes and any change in a client's risk tolerance, investment horizon, or goals, as those are brought to the advisor's attention by the client concerned.

Clients will receive monthly statements from TD AMERITRADE Institutional, Division of TD AMERITRADE, Inc. Member FINRA/SIPC, as well as confirmations of any transactions performed. Clients invested in securities will receive quarterly and yearly reports from those investments.

Clients will receive quarterly statements from First Security Benefit Life Insurance and Annuity Company of New York, as well as confirmations of any transactions performed. Clients invested in securities will receive quarterly and yearly reports from those investments.

Reports will also be provided by the firm as request by clients.

Item 14 – Client Referrals and Other Compensation

If a client is introduced to O’Bannon & Davis Inc. by either an unaffiliated or an affiliated solicitor, O’Bannon & Davis Inc. may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the advisers Act and any corresponding state securities law requirements. Any such referral fee shall be paid solely from O’Bannon & Davis Inc.’s investment management fee, and shall not result in any additional charge to the client. If the client is introduced to O’Bannon & Davis Inc. by an unaffiliated solicitor, the solicitor shall provide the client with a copy of O’Bannon & Davis Inc.’s Form ADV Part 2 or other written disclosure brochure which meets the requirements of Rule 204-3 of the Advisers Act and a copy of the solicitor’s disclosure statement containing the terms and conditions of the solicitation arrangement including compensation. The solicitor is required to obtain the client’s signature acknowledging receipt of O’Bannon & Davis Inc.’s disclosure brochure and the solicitor’s written disclosure statement. Any affiliated solicitor of O’Bannon & Davis Inc. shall disclose the nature of his/her relationship to prospective clients at the time of the solicitation and will provide all prospective clients with a copy of O’Bannon & Davis Inc.’s Form ADV Part 2 or other written disclosure brochure at the time of the solicitation. Since in some states, a solicitor is also required to be qualified and registered as an investment adviser representative, O’Bannon & Davis Inc. has developed internal controls for ensuring its solicitors are registered as required.

Item 15 – Custody

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client’s investment assets. O’Bannon & Davis Inc. urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16 – Investment Discretion

O’Bannon & Davis Inc. usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, O’Bannon & Davis Inc. observes the

investment policies, limitations and restrictions of the clients for which it advises. For registered investment companies, O'Bannon & Davis Inc.'s authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

Investment guidelines and restrictions must be provided to O'Bannon & Davis Inc. in writing.

Unless clients specifically request in writing that O'Bannon & Davis Inc. manage all or part of their account on a non-discretionary basis, by signing O'Bannon & Davis Inc.'s advisory agreement, clients authorize O'Bannon & Davis Inc. to exercise full discretionary authority with respect to all Investment Management Services transactions involving the client's account. Pursuant to such agreement, O'Bannon & Davis Inc. is designated as the client's attorney-in-fact with discretionary authority to effect investment transactions in the client's account which authorizes O'Bannon & Davis Inc. to give instructions to third parties in furtherance of such authority.

Item 17 - Voting *Client* Securities

As a matter of firm policy and practice, O'Bannon & Davis Inc. does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. O'Bannon & Davis Inc. may provide advice to clients regarding the clients' voting of proxies.

Item 18 - Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about O'Bannon & Davis Inc.'s financial condition. O'Bannon & Davis Inc. has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

Item 19 - Requirements for State-Registered Advisers

Mr. William R. Davis, President

Education (after high school) : 1986-91 University of Buffalo, BA, Economics; NASD Series 7, 63, and 65 licenses.

Currently Mr. Davis is the President of O'Bannon & Davis Inc.. He has been a partner in O'Bannon & Davis since 1997 to the present. From 01/1998 to 08/2005 he was a registered representative of Questar Capital Corporation. From 05/2007 - 06/2012 He was a registered representative of TRG Advisors. From 07/2006 to 12/2008 he was an investment advisor representative of Courier Capital Corporation. He has helped hundreds of clients realize their financial goals by offering innovative and cost-effective analysis and planning.