

# DISCLOSURE BROCHURE

THE INVESTMENT ADVISERS ACT OF 1940 RULE 203-1

**Part 2A of Form ADV: Firm Brochure**



**SKYBOX**  
FINANCIAL GROUP

**Firm IARD/CRD #: 148939**

**Skybox Financial Group**

REGISTERED INVESTMENT ADVISOR

This Disclosure Brochure provides information about the qualifications and business practices of Skybox Financial Group, which should be considered before becoming a client. You are welcome to contact us if you have any questions about the contents of this brochure – our contact information is listed to the right. Additional information about Skybox Financial Group is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

The information contained in this Disclosure Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any State Securities Administrator. Furthermore, the term “registered investment advisor” is not intended to imply that Skybox Financial Group has attained a certain level of skill or training.

**HOME OFFICE**

7261 Engle Rd

Suite 202

Middleburg Heights, OH 44130

Tel: 440.238.6983

Fax: 440.783.6266

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

BROCHURE  
DATED

**February  
25, 2025**

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## MATERIAL CHANGES

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ITEM 2

SEC Rule 204-3(b)(2) allows us to provide you with a summary page of Material Changes in lieu of sending out our entire Disclosure Brochure. If you are being offered this Material Change page as a separate piece from our Disclosure Brochure and you have questions about these summary disclosures or would like a current copy of our Disclosure Brochure to review, **you may contact us and a current, complete Disclosure Brochure will be sent free of charge.**

Since the last annual amendment filing of Form ADV Part 2A, dated March 11, 2024, the following material changes have been made:

- Scott Searles has added Outside Business Activities. (Item 10)

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## BROCHURE SUPPLEMENT

## ADVISORY BUSINESS

### Who We Are

Skybox Financial Group, LLC (hereinafter referred to as “the Company”, “we”, “us” and “our”) is a registered investment advisor<sup>1</sup>, with a principal place of business in Ohio, to offer advisory services designed to assist you, our client<sup>2</sup>, achieve the financial stability, security, and independence you desire.

### Owners

The following person controls the Company:

Name	Title	CRD#
G. Scott Searles	Owner, Chief Compliance Officer	2400403

### Our Mission

Our mission is to come alongside and assist with structuring and implement financial strategies designed to **maximize** wealth, **maintain** investment expectation, and **minimize** risk. We do everything in our power to **keep you focused** on where you want to go, **offer advice** on how best to get there, and continually remind you of the importance of **maintaining a disciplined investment approach** to realize your dreams

### Assets Under Management

We offer two (2) asset management services: Portfolio Management and Portfolio Monitoring. Portfolio Management accounts can be managed on a discretionary or non-discretionary basis. All Portfolio Monitoring accounts are non-discretionary, managed by independent third-party money managers (“Portfolio Managers”)<sup>3</sup>. As of December 31, 2024, our assets under management totaled:

Discretionary Accounts.....	\$56,851,848
Non-Discretionary Accounts.....	\$0

<sup>1</sup> The term “registered investment advisor” is not intended to imply that Skybox Financial Group has attained a certain level of skill or training. It is used strictly to reference the fact that we are “Registered” as an “Investment Advisor” with the Florida Office of Financial Regulation – and with such other regulatory agencies that may have limited regulatory jurisdiction over our business practices.

<sup>2</sup> A client could be an individual and their family members, a family office, a foundation or endowment, a charitable organization, a corporation and/or small business, a trust, a guardianship, an estate, or any other type of entity to which we choose to give investment advice.

<sup>3</sup> We do not include assets managed by independent Portfolio Managers in our “Regulatory Assets Under Management” calculation in our Form ADV Part 1A, Item 5.F. since we do not manage the securities held in your account on either a discretionary or non- discretionary basis. The Portfolio Manager managing your account is required to include your assets in their Discretionary Account totals since they will physically manage the securities.

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## What We Do

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We provide **financial solutions** that stress the importance of you making fiscally responsible decisions and disciplined economic choices in your personal life, so we can effectively help you achieve your monetary goals.

Focus of our advisory services begins with identifying your standards of living and quality of lifestyle expectations. We will accomplish this through an initial **Discovery Meeting** where we will review the financial documents we asked you to bring for discussion. Together questions will be asked, information shared, and an evaluation made as to whether we should move to the next step. During the meeting, we will:

- ❖ Learn about your core values and guiding principles
- ❖ Seek to understand your financial concerns and how you have been addressing them
- ❖ Discover your financial objectives and what success looks like for you
- ❖ Create an internal profile consisting of your current income and expenses, assets, career objectives, investment goals, risk tolerance and investment time horizon, targeted rate of return, and prior investment experience, along with personal information about your relationships, your values, and interests

Moving forward from the Discovery Meeting, should you choose to engage us for our advisory services, we will begin the process of identifying your life goals (i.e., core values, family, monetary needs, future plans, etc.). The best advice we could offer you is that success, achievement, and contentment in life have little to do with personal wealth but are instead related to your life goals. We will make every effort to embrace these life goals and develop economic solutions that reflect how *you* define true wealth -- not us. Our services include:

## Portfolio Management

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Our portfolio management strategies focus on designing a portfolio allocation of using a mix of equity (“stock”) positions, fixed income/debt (“bond”) instruments, Investment Company (“mutual funds”) products, and exchange traded funds (“ETFs”) to achieve the best return on your investment capital.

Information regarding our management fee structure is disclosed under “Portfolio Management Fee” in Item 5, “**Fees & Compensation**” and further description of our investment strategies under Item 8, “**Methods of Analysis, Investment Strategies & Risk of Loss**”.

## Portfolio Monitoring

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Portfolio monitoring consists of recommending the portfolio management resources of another independent Portfolio Manager to manage your assets. The Portfolio Manager we recommend will implement those investment disciplines that match your investment parameters we identified in our pre-advisory consultation with you.

Under these arrangements, we are **not involved in the day-to-day management of your portfolio assets**. Our responsibility will be to continuously evaluate the performance of your portfolio and to recommend changing Portfolio Managers if the Manager is underperforming or you make changes to your investment parameters and personal goals or the Portfolio Manager is not meeting identified investment objectives.

## Held Away Account Services

We provide an additional service for accounts not directly held in our custody but where we do have discretion and may leverage an Order Management System to implement asset allocation or rebalancing strategies on behalf of the client. These are primarily 401(k) accounts, 529 plans, variable annuities, and other assets we do not custody. We regularly review the current holdings and available investment options in these accounts, monitor the accounts, rebalance and implement our strategies as necessary.

You will find more information about our monitoring fee under “Portfolio Monitoring Fee” in Item 5, “Fees & Compensation” and how we evaluate Portfolio Managers is also discussed under Item 8, “Methods of Analysis, Investment Strategies & Risk of Loss.”

## Financial Planning

Financial planning is an essential tool to help navigate unexpected events with the ultimate goal of providing the confidence and security necessary during both the working years (wealth accumulation) and retirement years (wealth distribution) of your life. However, such **planning requires a lifetime commitment**, not only from you but from us as well, your financial planner.

### What is a Financial Plan?

Financial planning is an evaluation of the investment and financial options available to you based upon your defined life goals and choices. A well-designed plan is a step-by-step process intended to identify and clarify purpose, personal and family core values, needs, and priorities to align your financial decisions with your goals in all areas of your life and business. Planning includes:

1. Arriving at a series of decisions and action items based on current and future financial circumstances and defined goals and objectives;
2. Projecting the consequences of these decisions for you in the form of an economic plan – a **working blueprint**; and,
3. Implementing the protocols outlined in the plan to achieve the plan objectives.

Once complete, the financial plan, or working blueprint, becomes the benchmark that is used to help us evaluate where you are in achieving your financial goals, needs, and objectives.

### Financial Planning Composition

All forms of financial planning are a mutually defined review, analysis and evaluation of your personal financial needs and goals. In general, our financial planning may encompass one or more of the following areas of financial need as communicated by you:

- ❖ Identify and clarify personal and family core values, mission, vision, and goals.
- ❖ Preparation of the financial plan, which encompasses your:
  - Current financial situation.
  - Liquidity and asset preservation needs.
  - Wealth accumulation and growth.
  - Wealth distribution and transfer.

More specifically planning may include, but is not limited to, the following modules:

  - Financial Statements – Cash Flow and Balance Sheet.
  - Savings and Emergency Reserves.
  - Asset Allocation and Investment Portfolio Analysis.
  - Potential Income Tax consequences in collaboration with your tax advisor.
  - Risk Management and Insurance Analysis.
  - Retirement Income Analysis.
  - Long-Term Healthcare.
  - Estate and Family Legacy Planning.
  - Business Succession Planning.
- ❖ Outline of recommendations, strategies, solutions and resources.
- ❖ Prioritizing and implementing the written action plan.
- ❖ Investment consultations that allow us to create and implement a customized investment strategy tailored to your long-term investment goals.
  - Prepare a professional investment proposal that can include a written Investment Policy Statement (“IPS”), if requested.
- ❖ Facilitate meetings with you and/or other specialists within our network.

- ❖ Coordinate and facilitate meetings with family members, business associates, partners or other key individuals to assist with implementing your action plan.

### Preparing the Financial Plan

We gather the necessary information to complete our analysis through personal interviews, review of various documents supplied by you, and completion of one or more profile questionnaires. Information gathered may include statements regarding your current financial status, a list of assets, insurance, wills and/or trust documents, income and expenses, Social Security eligibility, and other information<sup>4</sup> based on your financial status and future goals.

The fee for preparing a financial plan is disclosed under “Financial Planning Fee” under Item 5, “**Fees & Compensation**”.

### Employee Benefit Plan Education Services

Our firm provides educational services to employer benefit plan participants on an ongoing basis. Generally, such services consist of assisting employees in understanding the investment options that have been made available to them by the plan administrator, and how they can implement strategies to successfully monitor and review the assets they have in their company's participant-directed retirement plan. In providing employee benefit plan educational services, our firm does not act as a 3(16) plan fiduciary, 3(21) Non-discretionary asset manager, or a 3(38) Discretionary investment manager of any ERISA plan. Services provided are educational in nature and do not constitute a portfolio management service.

You can find more information about our Employee Benefit Plan Education Service fees below under “Retirement Planning Fee” in Item 5, “**Fees & Compensation**.”

### Online Educational Courses

We provide online educational courses. Course may be provided pro bono, or for a fee. Topics include, but are not limited to: retirement planning, risk management, college savings, cash flow, debt management, investments, employee benefits, estate, and incapacity planning, and other general topics covered in life and career coaching services. The adviser will execute market research on an ongoing basis in order to create topics for online courses that are relevant to the current financial climate. These courses are purely educational in nature and do not involve the sale of any investment products. Information presented will not be based on any individual person's needs, nor does we provide individualized investment advice to viewers in the course.

## FEES & COMPENSATION

ITEM 5

### Discovery Meeting

Depending on prior conversations before we schedule the initial Discovery Meeting to review the financial documents requested you bring for discussion, we will inform you on whether we will bill you for our time. Such fee will be a **fixed fee not to exceed \$500**. The objectives we strive to accomplish with you during this meeting are to:

<sup>4</sup> All information provided by and to you will be kept entirely confidential. Such information will be disclosed to third parties only with mutual written consent or as may be permitted by law.

- ❖ Diagnose your current financial need;

- ❖ Address your financial concerns and answer your questions on how we can assist you;
- ❖ Recommend financial resolutions aimed at lowering costs, reducing risks, increasing expected returns, and/or increasing tax efficiency to improve the likelihood of successfully achieving your goal;
- ❖ Explain our investment methodology and how our investment strategies work; and,
- ❖ Explain the benefits of financial planning and how a comprehensive evaluation of wealth management needs is beneficial beyond just managing your investable assets.

Should a fee be negotiated prior to the Discovery Meeting, such fee will be due at the end of the session. If you wish to engage us for portfolio management or request additional planning, we will reduce the cost of the Discovery Meeting from the contracted engagement.

If you wish no further interaction with us, you will be responsible for implementing any recommendations coming out of the Discovery Meeting. Once this session is over, all financial services discussed will have been concluded and we are not responsible to implement the advice or for any on-going supervision, monitoring, and/or reporting.

### Portfolio Management Fee

Portfolio management is provided on an asset-based fee arrangement. Our management fee is calculated based on the **aggregate market value** of your account on the last business day of previous calendar quarter multiplied by the corresponding annual fee rate. To determine the quarterly fee, the annual fee rate is divided by 365 calendar days then multiplied by the number of days in the calendar quarter (i.e.,  $2.00\% \div 365$  calendar days =  $0.0055\% \times 90$  days =  $0.495\%$  quarterly fee rate).

We retain **discretion to negotiate the management fee within each tier** on a client-by-client basis depending on the size of the portfolio managed. In addition, as your portfolio value exceeds each tier level, either through additional deposits or asset growth, a fee break will occur. The tier breaks are as follows:

Account Value	Annual Fee Rate Not to Exceed
Up to \$250,000 .....	2.00%
\$250,001 to \$500,000 .....	1.50%
\$500,001 to \$1,000,000.....	1.25%
Over \$1,000,000 .....	1.00%

We generally require a minimum initial investment of **\$20,000** to open a managed account; however, we retain the right to **waive or reduce** this minimum if we feel circumstances are warranted.

### Held Away Account Services – Billing

We charge an annual fee for services provided to these held away accounts, which is deducted from an account under our Investment Management Service on a quarterly basis in advance or by other means such as invoicing. Fees are based on the assets within these accounts and are charged at (.25%) annually according to the valuation of the accounts at the close of the quarter as valued by the account custodian. This fee is included in investment management and comprehensive financial planning fees. This fee is charged on a quarterly basis in advance and can be paid by electronic funds transfer.

### Protocols for Portfolio Management

The following protocols establish how we handle our portfolio management accounts and what you should expect when it comes to: (i) managing your account; (ii) your bill for investment services; and, (iii) other



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fees charged to your account(s).

## Employee Benefit Plan Education Services

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Fees for employee benefit plan education services are charged at a flat rate, ranging from \$1,000 to \$15,000 per year, paid either quarterly or monthly, in arrears. Fees are negotiable within the range, and are based on complexity and needs of the client. The executed contract remains in force until canceled by either party. Client may terminate service within 30 days' notice. Since fees are paid in arrears, no refunds are due upon client termination. We will not bill an amount above \$500.00 more than 6 months in advance of services rendered.

## Online Educational Courses

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Fees for online educational courses may be provided pro-bono, or for a fee. When a fee is leveraged, fees are charged at a flat rate, ranging from \$200 to \$5,000 per course, paid in advance. Fees are based on primarily complexity of the course topic, and the number of topics that are covered in the course, and needs of the client. The executed contract remains in force until canceled by either party. Client may terminate and receive a full refund any time prior to accessing the course, but once the course has been accessed, no refunds will be processed. We will not bill an amount above \$500.00 more than 6 months in advance of services rendered.

### Discretion

We will establish discretionary trading authority on all management accounts to execute securities transactions without your prior consent or advice.

You may, at any time however, impose restrictions, **in writing**, on our discretionary authority (i.e., limit the types/amounts of particular securities purchased for your account, etc.).

### Billing

You will be **billed quarterly in advance** based on the above fee arrangements. For **new managed accounts** opened in mid-quarter, our fee will be based on a pro-rated calculation of your assets to be managed for the current calendar quarter.

Investing additional capital into your managed account between billing cycles will **not** generate a partial, pro-rated management fee to be billed to your account – we do not want to discourage you from investing in your future. For withdraws made from your managed account between billing cycles, we **do not make partial refunds** of our quarterly fee.

Advisory fees will be deducted first from any money market funds or cash balances. If such assets are insufficient to satisfy payment of such fees, a portion of the account assets will be liquidated to cover the fees.

### Fee Exclusions

The above fees for all of our management services are exclusive of any charges imposed by the custodial firm who has custody of your account; including, but not limited to: (i) any Exchange/SEC fees; (ii) certain transfer taxes; (iii) service or account charges, such as, postage/handling fees, electronic fund and wire transfer fees, auction fees, debit balances, margin interest, certain odd-lot differentials and mutual fund short-term redemption fees; and (iv) brokerage and execution costs associated with securities held in your managed account. There can also be other fees charged to your account that are unaffiliated with our management services.

In addition, all fees paid to us for portfolio management services are separate from any fees and expenses charged on mutual fund shares by the Investment Company or by the investment advisor managing the mutual fund portfolios. These expenses generally include management fees and various fund expense,

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such as: 12b-1 fees. Redemption fees, account fees, purchase fees, contingent deferred sales charges, and other sales load charges may occur but are the exception within managed accounts at institutional custodians. A complete explanation of these expenses charged by the mutual funds is contained in each mutual fund's prospectus. You are encouraged to carefully read the fund prospectus.

### Termination of Portfolio Management

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To terminate our portfolio management services, either party (you or us), by written notification to the other party, may terminate the Investment Advisory Agreement at any time. Such notification should include the date the termination will go into effect along with any final instructions on the account (i.e., liquidate the account, finalize all transactions and/or cease all investment activity).

In the event termination does not fall on the first/last day of a calendar quarter, **you shall be entitled to a pro-rated refund** of the prepaid quarterly management fee based upon the number of days remaining in the quarter after the termination notice goes into effect. **Once the termination of investment advisory services has been implemented, neither party has any obligation to the other** – we no longer earn management fees or give investment advice and you become responsible for making your own investment decisions.

### Portfolio Monitoring Fee

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Under the arrangements with the Portfolio Managers, we are not involved in the day-to-day management of your portfolio assets. **Our responsibility to the Portfolio Manager(s)** will be to ensure you meet their minimum qualifications. Once your account has been established, we will provide all the administrative and clerical duties as may be required to service your account. The Portfolio Manager(s) may have little or no direct contact with you.

**Our responsibility to you** will be to: (i) continuously evaluate the performance of your portfolio to ensure the Portfolio Manager selected adheres to your investment parameters; and, (ii) make recommendations regarding the Portfolio Manager as market factors and your personal goals dictate.

### Portfolio Managers Fee Structure

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The Portfolio Managers who will be used to manage your account(s) will disclose their fees for management services in their Disclosure Brochures (the Portfolio Manager's ADV Part 2A: Firm Brochure or Part 2A Appendix 1: Wrap Fee Program Brochure), **which we will provide you prior to, or at the same time as, opening an account.** The fees that will be charged to your account(s) will include:

1. The Portfolio Manager's management fee;
2. Our Portfolio Monitoring fee (not to exceed 1.35%) that the Portfolio Manager **will pay us from the total management fee they collect;** and,
3. Trading commissions and/or account charges, depending on if the Portfolio Manager is "wrapping" all the fees, which may be imposed by the custodian or broker/dealer used to custody your account(s).

You will want to consult the Portfolio Manager's Disclosure Brochure for their policies on how they will handle your account; such as, billing, deposits and withdrawals, fee exclusions, termination, and any other unique advisory costs associated with their service since we **do not take discretion** over the management of your account and we **do not handle any of the billing.**

We will discuss these arrangements with you when we go to open your account with a Portfolio Manager; however, you are encouraged to read their terms for management on your own – don't take our word for it!

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## Financial Planning Fee

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The cost to prepare a financial plan depends on the scope of engagement, complexity of service requested, the nature of your personal and financial situation, and any other factors that may affect the project to perform the services you desire.

Financial planning services are offered on a **negotiable hourly rate not to exceed \$250 per hour with a maximum fixed fee not to exceed \$5,000** for the initial engagement. Planning fees may be significantly reduced, or waived, if we are managing your investment portfolio(s).

The Financial planning fee will be fully disclosed up-front in a Financial Planning Agreement, which will include the cost<sup>5</sup> to review your personal/financial information and prepare the financial planning documents. Our preference is for the fee to be paid in full up front; however, we will also accept one-half the fee at the time the Agreement is signed, with the remaining balance due upon completion of the financial plan<sup>6</sup>.

## Financial Planning Termination

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You can terminate the Financial Planning Agreement at any time prior to the presentation of any final planning documents. We will be compensated through the date of termination for time spent in design of such financial documents at the hourly rate agreed to in the Agreement. If you have prepaid any fees, such un-earned fees will be returned on a pro-rata basis. **After the financial plan has been completed and presented to you, termination of the Agreement is no longer an option.**

## Retirement Planning Fee

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As a **Limited-Scope 3(21) Fiduciary** our responsibility to the plan sponsors and/or Named Fiduciary will be to assist with the development of an investment program menu based on the investment disciplines that most closely resemble the retirement plan's investment objectives and risk tolerance as outlined in the plan's Investment Policy Statement. The investment platform menu administered by a Third-Party Administrator ("TPA") offers:

- ❖ Customized mutual fund allocation models with each model consisting of varying target asset allocations.
- ❖ Customized open architecture platform.
- ❖ Construction tools to implement effective investment portfolios.
- ❖ Online reporting and account access.

Once the platform menu is in place, we will advise the plan Investment Committee on the performance of each allocation model and make recommendations, if any, on rebalancing and/or replacement of investment options to the platform menu.

## How Retirement Planning Fees are Billed

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Retirement planning services are provided on an asset-based fee arrangement and such fees will be administered by the retirement plan TPA platform. **The TPA will disclose all fees to the plan sponsors and/or Named Fiduciary in a retirement planning agreement** and provide copies of any disclosure documents. The retirement planning fees that will be charged to retirement plan will include:

1. The Third-Party Administrator platform fee; and,
2. Our retirement planning fee (not to exceed 0.50%) that the TPA **will pay us from the total fee collected.**

<sup>5</sup>Rarely will a fee exceed those costs outlined in the Agreement. However, there can be instances where we did not contract with you to perform a particular task and therefore merit notifying you of the additional cost prior to beginning such services.

<sup>6</sup>The recommendations made in an estate plan are generally completed within 30 to 45 days from you signing the Agreement. However, implementing the plan using outside professionals (i.e., attorneys, CPAs, etc.) may require additional time that is out of our control. Therefore, when we refer to the completion of the estate plan, we are referring to us (you and us together) finalizing your estate benchmarks/objectives before approaching any outside professional.

## **Protocols for Retirement Planning Services**

The TPA’s retirement planning agreement contains all pertinent disclosures relating to the management services being offered: such as, the fee structure for such services, billing, fee exclusions, termination provisions, and any other unique advisory costs associated with servicing the retirement plan.

We will discuss all these arrangements with the plan sponsors and/or Named Fiduciary when we go to select the retirement plan TPA platform; however, the plan sponsors and/or Named Fiduciary is **encouraged to read about these retirement planning services on their own – don’t take our word for it!**

## **PERFORMANCE-BASED FEES & SIDE-BY-SIDE MANAGEMENT**

ITEM 6

We do not charge fees based on a share of capital gains or the capital appreciation of the assets held in your accounts.

## **TYPES OF CLIENTS**

ITEM 7

The types of clients we offer advisory services to are described above under “Who We Are” in the Item 4, the “**Advisory Business**” section. Our minimum account size for portfolio management is disclosed above under “Portfolio Management Fee” in Item 5 above in the, “**Fees & Compensation**” section of this Brochure.

## **METHODS OF ANALYSIS, INVESTMENT STRATEGIES & RISK OF LOSS**

ITEM 8

### **Portfolio Management – Methods of Analysis, Investment Strategies & Managing Risk**

Our portfolio management services are designed to build long-term wealth while maintaining risk tolerance levels acceptable to you. We combine your financial needs and investment objectives, time horizon, and risk tolerance to yield an effective investment strategy. Your portfolio is then tailored to these unique investment parameters using a mix of equity (“stock”) positions, fixed income/debt (“bond”) instruments, Investment Company (“mutual fund”) products, and Exchange-Traded Funds (“ETFs”) to achieve the best return on your investment capital.

In addition, depending on your risk tolerance, we may also recommend using the following investment vehicles to achieve your desired investment objective: leveraged index funds, closed-end funds, hedge funds, derivatives (i.e., options, commodities, etc.), and other publicly/privately traded securities. However, these investment vehicles bring on a different risk dynamic. If we recommend investment in one of these securities, we will discuss with you the limitations of such security and the potential risk factors to your portfolio.

### **Methods of Analysis**

In analyzing securities to develop an efficient asset allocation portfolio, we will use a combination of analysis techniques to gathering information and to guide us in our management decisions.

### Fundamental Analysis

Fundamental analysis considers: efficiency ratios, growth rates, enterprise value, economic conditions, earnings, cash flow, book value projections, industry outlook, politics (as it relates to investments), historical data, price-earnings ratios, dividends, general level of interest rates, company management, debt ratios and tax benefits.

**RISKS** – Fundamental analysis places greater value on the long-term financial structure and health of a company, which may have little to no bearing on what is actually happening in the market place. Investing in companies with sound financial data/strength and a history of health returns can be a good long-term investment to hold in your portfolio; however, such fundamental data does not always correlate to the trading value of the stock on the exchanges. In the short-term, the stock can decrease in value as investors trade in other market sectors.

### Technical Analysis

Technical analysis utilizes current and historical pricing information to help us identify trends in the broader domestic and foreign equity and fixed income markets, and in the underlying assets themselves. This may involve the use of various technical indicators, such as moving averages and trend-lines, among others.

**RISKS** – Technical analysis is charting the historical market data of a stock, taking into consideration current market conditions, to forecast the direction of a future stock price rather than using fundamental tools for evaluating a company's financial strength. Technical analysis focuses on the price movement of a security trading in the market place. This is an ideal tool for short-term investing to identify ideal market entry/exit points. However, no market indicator is absolutely reliable, and your investment portfolio can underperform in the short-term should the market indicators be incorrect.

Fundamental analysis provides us with a broad long-term view of a security that begins with determining a company's value and the strength of its financials while technical analysis is short-term focusing on the statistics generated by market activity.

### Investment Strategies

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We are not bound to a specific investment strategy or ideology for the management of your investment portfolio. We understand markets and **money made** from increased stock values has greater risk (volatility) than **money earned** from dividends (secure and stable) in income- oriented securities. Our goal is to balance making and earning money by maintaining a disciplined management approach, regardless of the strategy, so as to not sacrifice long-term goals for short-term gains. However, our investment strategies generally incorporate these methodologies:

#### Modern Portfolio Theory

Modern Portfolio Theory ("MPT")<sup>7</sup> is the analysis of a portfolio of stocks as opposed to selecting stocks based on their unique investment opportunity. The objectives of MPT is to determine your preferred level of risk and then construct a portfolio that seeks to maximize your expected return for that given level of risk.

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<sup>7</sup>The "Portfolio Theory" was developed and introduced by Harry M. Markowitz in his paper "Portfolio Selection" published in 1952 by the *Journal of Finance* while he was working on his PhD doctoral thesis at the University of Chicago. Mr. Markowitz further refined his theory during the latter part of the 1950's and on into the 70's. Along the way, his theory became known as the "Modern Portfolio Theory". Mr. Markowitz won the Nobel Memorial Prize in Economic Sciences in 1990 as a co-laureate along with William Sharpe.

### Asset Allocation

Asset Allocation is a broad term used to define the process of selecting a mix of asset classes and the efficient allocation of capital to those assets by matching rates of return to a specified and quantifiable tolerance for risk. From this we may use more narrow and aggressive Asset Allocation derivatives.

### Dollar-Cost Averaging

Dollar-cost averaging is the technique of buying a fixed dollar amount of securities at regularly scheduled intervals, regardless of the price per share. This will gradually, over time, decrease the average share price of the security. Dollar-cost averaging lessens the risk of investing a large amount in a single investment at the wrong time.

## Managing Risk

The biggest risk to you is the risk that the value of your investment portfolio will decrease due to moves in the market. This risk is referred to as the **market risk** factor, also known as variability or volatility risk. Other important risk factors:

- ❖ **Interest Rate Risk** – Interest rate risk affects the value of bonds more than stocks. Essentially, when the interest rate on a bond begins to rise, the value (bond price) begins to drop; and vice versa, when interest rates on a bond fall, the bond value rises.
- ❖ **Equity Risk** – Equity risk is the risk that the value of your stocks will depreciate due to stock market dynamics causing one to lose money.
- ❖ **Currency Risk** – Currency risk is the risk that arises from the change in price of one currency against that of another. Investment values in internationally securities can be affected by changes in exchange rates.
- ❖ **Inflation Risk** – The reduction of purchasing power of investments over time.
- ❖ **Commodity Risk** – Commodity risk refers to the uncertainties of future market values and the size of future income caused by the fluctuation in the prices of commodities (i.e., grains, metals, food, electricity, etc...).

The risk factors we have cited here are not intended to be an exhaustive list, but are the most common risks your portfolio will encounter. Other risks that we haven't defined could be political, over-concentration, and liquidity to name a few. However notwithstanding these risk factors, the most important thing for you to understand is that regardless of how we analyze securities or the investment strategy and methodology we use to guide us in the management of your investment portfolio, **investing in a security involves a risk of loss that you should be willing and prepared to bear; and furthermore, past market performance is no guarantee that you will see equal or better future returns on your investment.**

## Portfolio Monitoring– Methods of Analysis, Investment Strategies & Managing Risk

With the use of Portfolio Managers, focus of our selection and monitoring **is to balance investment return and risk, with the emphasis on spreading risk among asset classes.** The specific methods of analysis, investment strategies, and risk management will be handled at the discretion of the Portfolio Manager.

We will perform a due-diligence review of our current and prospective Portfolio Managers to evaluate:

- ❖ **Regulatory Oversight:** Show proper licensure as: (a) a bank/trust company, (b) an insurance company, (c) a registered Investment Company, or (d) a registered

investment advisor. In addition, a clear track record of compliance and understanding of their fiduciary duties.

- ❖ **Track Record:** The Portfolio Manager should have at least three years of history so that performance statistics can be properly calculated.
- ❖ **Stability:** The same management team should be in place for at least two years. This reflects team unity and balance.
- ❖ **Composition:** At least 80% of the Portfolio Manager’s underlying securities investments should be consistent with the broad asset class.
- ❖ **Performance:** The Portfolio Manager’s investment performance should show a competitive advantage relative to their peer group in both up and down markets. This reflects an investment knowledge and understanding of the inner-workings of the securities markets.

In monitoring the investment performance of Portfolio Managers, we will utilize the above criteria to trigger when we should more closely scrutinize a particular Manager for possible replacement.

## DISCIPLINARY INFORMATION

ITEM 9

We are required to disclose disciplinary events that may be material for your evaluation of our advisory practices; therefore, pursuant to Item 9.B. of the Form ADV Part 2A: Firm Brochure, we are making the following disclosures:

“An administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority in which your firm or a management person was found to have been involved in a violation of an investment-related statute or regulation and was the subject of an order by the agency or authority imposing a civil money penalty of more than \$2,500 on your firm or a management person.”

**2016 Stipulation and Consent Agreement** – Through the course of conducting a routine on-site examination, the Florida Office of Financial Regulation (“OFR”), determined Skybox Financial Group and Mark A. Manges violated Florida rules and regulations by: (i) not maintaining an accurate Form ADV; (ii) not disclosing the fact that Skybox and Mr. Manges were the sponsor and the manager of a pooled investment vehicle; (iii) failing to send each client a fee invoice itemizing the advisory fee concurrently with the quarterly fee billing; and (iv) creating a custody situation without implementing the required safeguard when it comes to fee billing. So as to not incur any further legal costs defending the Company and Mr. Manges against the allegations made by OFR in their Administrative Complaint, Mr. Manges consented to the findings by OFR, without admitting or denying the allegations, and settled with an administrative fine of \$5,000. The fine has been paid pursuant to the terms of the Stipulation and Consent Agreement finalized in March 2016. No further action has been taken by OFR and the Company is operating in good standing. In 2019, Mr. G. Scott Searles acquired Skybox Financial Group, and Mr. Manges is no longer affiliated with the Company.

**2017 FINRA Letter of Acceptance, Waiver and Consent** – In 2017, prior to his involvement with the Company, Mr. G. Scott Searles, Searles entered into a Letter of Acceptance, Waiver, and Consent with FINRA regarding his failure to timely report an unsatisfied tax judgement and lien on his Form U-4 when he was employed with broker dealer back in 2012 and 2014.. After the death of his son in 2006, Mr. Searles underpaid taxes to the city of Strongsville, Ohio. Mr. Searles agreed to make monthly payments to satisfy the judgement but then failed to make timely payments, a judgement lien against him. Mr. Searles has since satisfied both the judgement and the lien. However, Mr. Searles failed to inform his then employers of these facts when he amended his U- 4 on two different occasions and when asked on an annual compliance questionnaire whether



he had any unsatisfied judgements or liens. Without admitting or denying the allegations, Mr. Searles consented to the FINRA findings and agreed to a 5-month suspension and \$5,000 fine. The suspension with FINRA has been completed and the fine paid.

## OTHER FINANCIAL INDUSTRY ACTIVITIES & AFFILIATIONS

ITEM 10

### Independent Insurance Agents

Certain management persons are licensed as resident life, health, and annuity insurance agents with the state agency in which they reside and as non-resident agents in other states. These management persons are licensed to sell insurance-related products and earn commissions from the sale of these products.

A conflict of interest can potentially occur when these management persons, as trusted Investment Advisory Representatives with the Company, managing your portfolio for a fee, recommend you purchase an insurance product in which they will earn a commission. This can create a situation of divided loyalty and the objectivity of the advice rendered could be subjective and create a disadvantage to you.

Therefore, keep in mind you are under no obligation to accept recommendations to purchase insurance related products. **You are free to reject any recommendations;** or, if you need the insurance, to choose the insurance agency, agent, and insurance company from whom to purchase the insurance. Your purchase of an insurance product, regardless of where, and from whom you purchase it, that insurance agent will be entitled to earn a commission.

Notwithstanding such potential conflicts of interest, we strive to serve your best interest and ensure such disclosure is being properly made to you in compliance with the Investment Adviser Act of 1940, Rule 275.206.

Scott Searles is a licensed insurance agent and owner of Skybox Risk Management, LLC. This activity creates a conflict of interest since there is an incentive to recommend insurance products based on commissions or other benefits received from the insurance company, rather than on the client's needs. Additionally, the offer and sale of insurance products by supervised persons of Skybox Financial Group, LLC are not made in their capacity as a fiduciary, and products are limited to only those offered by certain insurance providers. Skybox Financial Group, LLC addresses this conflict of interest by requiring its supervised persons to act in the best interest of the client at all times, including when acting as an insurance agent. Skybox Financial Group, LLC periodically reviews recommendations by its supervised persons to assess whether they are based on an objective evaluation of each client's risk profile and investment objectives rather than on the receipt of any commissions or other benefits. Skybox Financial Group, LLC will disclose in advance how it or its supervised persons are compensated and will disclose conflicts of interest involving any advice or service provided. At no time will there be tying between business practices and/or services (a condition where a client or prospective client would be required to accept one product or service conditioned upon the selection of a second, distinctive tied product or service). No client is ever under any obligation to purchase any insurance product. Insurance products recommended by Skybox Financial Group, LLC's supervised persons may also be available from other providers on more favorable terms, and clients can purchase insurance products recommended through other unaffiliated insurance agencies.

## CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS & PERSONAL TRADING

ITEM 11

### Code of Ethics

As a fiduciary, the Company has an affirmative duty to render continuous, unbiased investment advice, and at all times act in your best interest. To maintain this ethical responsibility, we have adopted a Code of Ethics



that establishes the fundamental principles of conduct and professionalism expected by all personnel in discharging their duties. This Code is a value- laden guide committing such persons to uphold the highest ethical standards, rooted in the most elementary maxim. Our Code of Ethics is designed to deter inappropriate behavior and heighten awareness as to what is right, fair, just and good by promoting:

- ❖ Honest and ethical conduct.
- ❖ Full, fair and accurate disclosure.
- ❖ Compliance with applicable rules and regulations.
- ❖ Reporting of any violation of the Code.
- ❖ Accountability.

To help you understand our ethical culture and standards, how we control sensitive information and what steps have been taken to prevent personnel from abusing their inside position, a copy of our Code of Ethics is available for review upon request.

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## **Client Transactions**

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We have a fiduciary duty to ensure that your welfare is not subordinated to any interests of ours or of our personnel. The following disclosures are internal guidelines we have adopted to assist us in protecting all of our clientele.

### **Participation or Interest**

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It is against our policies for any owners, officers, directors or employees to invest with you or with a group of clients, or to advise you or a group of clients to invest in a private business interest or other non-marketable investment unless prior approval has been granted by our Chief Compliance Officer, and such investment is not in violation of any SEC and/or State rules and regulations.

### **Insider Trading Policy**

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We comply with the Insider Trading and Securities Fraud Enforcement Act of 1988. We do not share any non-public information with anyone who does not need to know and have established internal controls to guard your personal information.

### **Class Action Policy**

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The Company does not elect to participate in class action lawsuits on your behalf. Such decisions shall remain with you or with an entity you designate. Final determination of whether to participate, and the completion and tracking of any such related documentation, shall rest with you.

## **Personal Trading**

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Employees of ours are permitted to personally invest their own monies in securities, which may also be, from time to time, recommended to you. Sometimes, such investment purchases are independent of, and not connected in any way to, the investment decisions made on your behalf. However, there may be instances where investment purchases for you may also be made in an employee's account. In these situations, we have implemented the following guidelines in order to ensure our fiduciary integrity:

1. No employee acting as an Investment Advisor Representative, or who has discretion over your account, shall buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment, unless the information is also available to the investing public on reasonable inquiry. No employee of ours shall prefer his or her own interest to that of yours or any other advisory client.
2. We maintain a list of all securities holdings for all our access employees. Our Chief Compliance Officer reviews these holdings on a regular basis.
3. We require that all employees act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.

4. Bunched orders (See “Aggregating Trade Orders” below under Item 12, “**Brokerage Practices**”) may include employee accounts. In such cases, priority and advantage will be given to satisfy your order first regardless of the situation.
5. Any individual not in observance of the above may be subject to termination.

Personal trading activities are monitored by Chief Compliance Officer to ensure that such activities do not impact upon your security or create conflicts of interest.

## BROKERAGE PRACTICES

ITEM 12

### Custodial Services

The Company maintains custodial arrangements with Charles Schwab & Co., Inc. Advisor Services and Howard Capital.

- ❖ Receipt of duplicate client statements and confirmations;
- ❖ Research related products and tools and consulting services;
- ❖ Access to a dedicated trading desk;
- ❖ Access to batch trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to accounts);
- ❖ The ability to have advisory fees deducted directly from accounts;
- ❖ Access to an electronic communications network for order entry and account information; and,
- ❖ Access to mutual funds and ETFs with no transaction fees and to certain institutional money managers.

### Direction of Transactions and Commission Rates (Best Execution)

**We have a fiduciary duty to put your interests before our own.** The advisory support services we receive from Charles Schwab & Co, Inc creates an economic benefit to us and a potential conflict of interest to you; in that, our recommendation to custody your account(s) with Charles Schwab & Co, Inc may have been influenced by these arrangements/services. **This is not the case;** we have selected Charles Schwab & Co, Inc as our custodian of choice based on:

1. Their competitive transaction charges, trading platform, and on-line services for account administration and operational support.
2. Their general reputation, trading capabilities, investment inventory, their financial strength, and our personal experience in working with Charles Schwab & Co, Inc staff.

Since we do not recommend, suggest, or make available a selection of custodians other than Charles Schwab & Co, Inc, **best execution may not always be achieved.** Therefore, **you do not have to accept our recommendation to use Charles Schwab & Co, Inc as your custodian.** However, if you elect to use another custodian, **we may not be able to provide you complete institutional services.**

## Selection of Portfolio Managers

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We will make available a select group of Portfolio Managers from which you may choose to manage your account(s). We will assist you in determining which will provide the most effective financial growth based upon your stated investment objectives and risk tolerance level. **Where applicable, the brokerage practices of the Portfolio Manager will be disclosed in their ADV Part 2A: Firm Brochure or Part 2A Appendix 1: Wrap Fee Program Brochure, which we will provide you prior to, or at the same time as, opening an account.**

While we have exercised our best efforts evaluating the investment performance and cost of service offered by these Portfolio Managers, we make no representation the Portfolio Manager in which we refer you has the best investment performance or has the lowest portfolio management costs. In addition, your selection of such Portfolio Managers will be limited to those with whom we have entered into service agreements. Therefore, it is possible that you will be able to contract for similar services elsewhere or separately, with equivalent or better performance at lower cost.

## Aggregating Trade Orders

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Our objective in order execution is to act fairly, impartially, and to take all reasonable steps to obtain the best possible results (known as “best execution”) for our clients. Therefore, we will not bunch (aggregate) orders for a block trade unless: (i) the bunching of orders is done for the purpose of achieving best execution; and, (ii) no client is systematically advantaged or disadvantaged by bunching the orders.

In consideration of these objectives, we will take into account the unique execution factors of the buy/sell order before bunching accounts for a block trade. A few of those factors are:

- ❖ **Security Trading Volume** – Bunching orders in a block trade can secure price parity and continuity for our clients during heavy trading activity.
- ❖ **Number of Clients** – The fewer the number of client accounts involved in the bunched order may not yield better pricing or order execution; it may be more advantageous to perform an individual market order for each client. In addition preparing individual market orders, for the small number accounts involved, may be quicker to complete than preparing a bunch order.
- ❖ **Financial Instruments** – The type of security involved as well as the complexity of order can affect our ability to achieve best execution.

If you would like additional information on our trading allocation policies, a copy is available for review upon request.

## REVIEW OF ACCOUNTS

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ITEM 13

### Portfolio Management Reviews

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Your investment strategies and investments are monitored by the Investment Advisor Representative over your account and reviewed on an on-going basis by G. Scott Searles, the Chief Compliance Officer. The general economy, market conditions, and/or changes in tax law can trigger more frequent reviews. Cash needs will be adjusted as necessary. Material changes in your personal/financial situation and/or investment objectives will require additional review and evaluation for us to properly advise you on revisions to previous

recommendations and/or services. However, it is **your responsibility to communicate these changes** for us to make the appropriate corrections to your management account(s).

You will receive statements, at least quarterly, from Charles Schwab & Co, Inc where your account(s) are held in custody that identifies your current investment holdings, the cost of each of those investments, and their current market values. You are encouraged to review the trading activities disclosed on your account statements which summarizes your portfolio account value, current holdings, and all account transactions made during the quarter. It is important for you to review these documents for accurate reporting and to determine whether we are meeting your investment expectations.

### Portfolio Monitoring Reviews

The Investment Advisor Representative over your account will monitor and evaluate the performance of the Portfolio Manager and/or SAM managing your account on a regular basis. We understand your goals and tolerance for risk may change over time; therefore, **even though we are not involved in any way with the day-to-day management** of your assets maintained with a Portfolio Manager, we will supervise your portfolio and will make recommendations to you regarding the Portfolio Managers as market factors and your personal goals dictate.

### Financial Planning Reviews

The financial planner will work closely with you to be sure the action points identified in the financial plan have been or are being properly executed. Once the action points have been completed, the financial plan should be reviewed at least annually. Material changes in your lifestyle choices, personal circumstances, the general economy, or tax law changes can trigger more frequent reviews. However, **it is your responsibility to communicate these changes** to us so that the appropriate adjustments can be made.

## CLIENT REFERRALS & OTHER COMPENSATION

ITEM 14

### Referral Compensation

We may directly compensate persons for client referrals provided such persons are qualified and have entered a solicitation agreement with us as required by Rule 206(4)-3 of the Investment Adviser Act of 1940, as amended. Under such arrangements, if a solicitor referred you, the solicitor will provide you complete information on our relationship – the relationship between the solicitor and us – and the compensation the solicitor will receive should you choose to open an account. This compensation will be paid solely from our fee and will not result in any additional charge to you.

The solicitor is not licensed to give you any investment advice and therefore cannot advise you on the management of your account. A solicitor simply makes an introduction and is compensated only if you were to open a management account with us under these arrangements.

### Other Compensation (Indirect Benefit)

The Company receives an indirect economic benefit from

Charles Schwab & Co., Inc. (See “Custodial Services” above under Item 12, “**Brokerage Practices**” for more detailed information on what these services and products could be.)

Charles Schwab & Co., Inc. Advisor Services provides The Company with access to Charles Schwab & Co., Inc. Advisor Services' institutional trading and custody services, which are typically not available to Charles Schwab & Co., Inc. Advisor Services retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the adviser's clients' assets are maintained in accounts at Charles Schwab & Co., Inc. Advisor Services. Charles Schwab & Co., Inc. Advisor Services includes brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment. For The Company client accounts maintained in its custody, Charles Schwab & Co., Inc. Advisor Services generally does not charge separately for custody services but is compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed through Charles Schwab & Co., Inc. Advisor Services or that settle into Charles Schwab & Co., Inc. Advisor Services accounts.

Charles Schwab & Co., Inc. Advisor Services also makes available to The Company other products and services that benefit The Company but may not benefit its clients' accounts. These benefits may include national, regional or The Company specific educational events organized and/or sponsored by Charles Schwab & Co., Inc. Advisor Services. Other potential benefits may include occasional business entertainment of personnel of The Company by Charles Schwab & Co., Inc. Advisor Services personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist The Company in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts, if applicable), provide research, pricing information and other market data, facilitate payment of The Company's fees from its clients' accounts (if applicable), and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of The Company's accounts. Charles Schwab & Co., Inc. Advisor Services also makes available to The Company other services intended to help The Company manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, and human capital consultants, insurance and marketing. In addition, Charles Schwab & Co., Inc. Advisor Services may make available, arrange and/or pay vendors for these types of services rendered to The Company by independent third parties. Charles Schwab & Co., Inc. Advisor Services may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to The Company. The Company is independently owned and operated and not affiliated with Charles Schwab & Co., Inc. Advisor Services.

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## Financial Planning Compensation

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As previously mentioned, certain persons are also licensed insurance agents (See Item 10, “**Other Financial Industry Activities & Affiliations**” for more information.). This can create a conflict of interest when recommending for a fee, through a financial plan, that you purchase an insurance product where they can also earn a commission.

There are also potential conflicts of interest when these persons suggest need for outside consultations and professional services (i.e., attorneys, accountants, brokers, etc.) to implement certain aspects of an estate or financial plan. Even though they do not share in any fees earned by the outside professionals when implementing an estate or financial plan, it does create an incentive on their part to refer your business to only those entities that may in turn refer potential clients to us.

In both cases, there is potential for divided loyalty and the objectivity of the advice we render could be subjective and create a disadvantage to you. Therefore, to ensure you understand the choices and risks you have in receiving financial planning along with all other investment recommendations, the following disclosures are provided to assist you with your decisions:

- ❖ Certain aspects of a financial plan require the assistance of a Registered Representative of a broker-dealer to execute the transaction. In this situation regardless of who performs the transaction(s), **such person will be entitled to earn a commission.**
- ❖ If requested by you to implement any insurance recommendations made in the financial plan, the licensed insurance agent will execute such transactions through those insurance companies in which they are a licensed insurance agent. In such cases, **they will receive the normal commissions associated with such insurance transactions.**
- ❖ You are under no obligation to have any professional that we recommend prepare planning documents (i.e.; financial, estate, tax, etc...). **You are free to choose those outside professionals to implement the recommendations made in the financial plan.**
- ❖ You are under **no obligation to accept** the licensed insurance agent’s advice and purchase the insurance products they recommend. **You are free to reject their recommendation and make your own choice.**

Notwithstanding such potential conflicts of interest, we strive to serve your best interest and ensure such disclosure is being properly made to you in compliance with the Investment Advisers Act of 1940, Rule 275.206.

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## CUSTODY

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ITEM 15

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### Management Fee Deduction

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We do not take possession of or maintain custody of your funds or securities, but will simply monitor the holdings within your portfolio and trade your account based on your stated investment objectives and guidelines. Physical possession and custody of your funds and/or securities shall be maintained with Charles Schwab & Co., Inc. as indicated above in Item 12, “Brokerage Practices.”

We are however defined as having custody since you have authorized us to deduct our advisory fees directly from your account. To protect you as well as to protect our advisory practice, we have implemented the following regulatory safeguards:

- ❖ We report to the regulatory authority (the Florida Office of Financial Regulation) having jurisdiction over our advisory practice that we have custody.
- ❖ Your funds and securities will be maintained with a qualified custodian Charles Schwab & Co, Inc ) in a separate account in your name.
- ❖ Authorization to withdraw our management fees directly from your account will be approved by you prior to engaging in any portfolio management services.
- ❖ At the time we notify Charles Schwab & Co, Inc to withdraw our quarterly fee from your account, we will send you a quarterly notice itemizing our fee. Itemization includes the formula used to calculate our fee, the amount of assets under management the fee is based on, and the time-period covered by the fee.

Charles Schwab & Co, Inc is required by law to send you, at least quarterly, brokerage statements summarizing the specific investments currently held in your account, the value of your portfolio, and account transactions. **You are encouraged to compare the financial data contained in our report and/or itemized fee notice with the financial information disclosed in your account statement from Charles Schwab & Co, Inc to verify the accuracy and correctness of our reporting.**

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## INVESTMENT DISCRETION

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ITEM 16

We have you complete our Investment Advisory Agreement which sets forth our discretionary trading authority to buy and sell securities in whatever amounts are determined to be appropriate for your account and whether such transactions are with, or without, your prior approval. You may, at any time, impose restrictions, **in writing**, on our discretionary authority (i.e., limit the types/amounts of particular securities purchased for your account, exclude the ability to purchase securities with an inverse relationship to the market, limit our use of leverage, etc.).

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## VOTING CLIENT SECURITIES

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ITEM 17

**We do not vote client proxies.** You understand and agree that you retain the right to vote all proxies, which are solicited for securities held in your managed accounts. Any proxy solicitations inadvertently received by us will be immediately forwarded to you for your evaluation and decision. However, if you have specific questions regarding an action being solicited by the proxy that you do not understand or you want clarification, you may contact us and we will explain the particulars. Keep in mind we will not advise you in a direction to vote, that ultimate decision will be left to you.

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## FINANCIAL INFORMATION

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ITEM 18

We are not required to include financial information in our Disclosure Brochure since we will not take physical custody of client funds or securities or bill client accounts six (6) months or more in advance for more than \$500. We are not aware of any current financial conditions that are likely to impair our ability to meet our contractual commitments to you.

## **REQUIREMENTS FOR STATE-REGISTERED ADVISERS**

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**ITEM 19**

Information of each of our principal executive officers and supervised persons can be found in the attached Form ADV Part 2B: Brochure Supplements.

**END OF DISCLOSURE BROCHURE**



## FORM ADV: PART 2B

### BROCHURE SUPPLEMENT



## Skybox Financial Group

### CONTACT INFORMATION

#### Home Office

7261 Engle Road, Suite 202  
Middleburg Heights, Ohio, 44130  
Tel: 440.238.6983  
Fax: 440.783.6266

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

### SUPERVISION

**G. Scott Searles**  
Chief Compliance Officer

**Phone:**  
440.238.6983

**e-Mail:**  
[scott@skyboxfinancialgroup.com](mailto:scott@skyboxfinancialgroup.com)

Mr. Searles is responsible for the regulatory oversight of our advisory practice – ensuring our business activities are compliant with all federal and state regulations and that we are operating in compliance with our written policies and procedures.

His other duties include, but are not limited to: managing investment activities, discussing investment options with clients, and meeting with clients to evaluate financial alternatives.

BROCHURE SUPPLEMENT  
DATED

**December 16, 2024**

This Brochure Supplement provides information about G. Scott Searles that is an accompaniment to the Disclosure Brochure for our firm, Skybox Financial Group. You should have received both of these together as a complete disclosure packet. If you did not receive our Disclosure Brochure or if you should have questions about this Brochure Supplement for Mr. Searles, you are welcome to contact us – our contact information is listed to the left.

Additional information about Skybox Financial Group and G. Scott Searles are also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## G. Scott Searles

CRD#: 2400403

Year of Birth: 1971

### EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

#### Education

1993 – Kent State University: Bachelor of Arts in Finance

#### Licenses

FINRA Exams: Series 4 – Registered Options Principal Examination (Inactive) Series 7 – General Securities Representative Examination (Inactive)  
Series 63 – Uniform Securities Agent State Law Examination (Inactive)  
Series 65 – Uniform Investment Adviser Law Examination (Active)

Insurance: Life, Health & Annuity Insurance (Active)

#### Business Background

03/2017 – Present.....Skybox Financial Group  
**Position:** Chief Compliance Officer & Investment Advisor Representative

01/2013 – Present.....Searles Wealth Management, Inc.  
**Position:** President

10/2013 – 03/2017 .....Cetera Advisors, LLC  
**Position:** Advisory/Registered Representative

07/2012 – 10/2013 .....First Allied Advisory Services, Inc.  
**Position:** Investment Advisor Representative

05/2006 – 10/2013 .....First Allied Securities, Inc.  
**Position:** Registered Representative

### DISCIPLINARY INFORMATION

Mr. Searles is required to disclose any administrative proceedings that may be material for you to evaluate his advisory practice; therefore, pursuant to Item 3B of the Form ADV Part 2B: Brochure Supplement we are disclosing the following event.

Mr. Searles, an Investment Advisor Representative of the Company, failed to timely report on his Form U-4 an unsatisfied judgement and a lien when he was employed with another firm back in 2012 and 2014. The judgement and the lien were related to underpayment of taxes to the City of Strongsville, Ohio. Mr. Searles agreed to make monthly payments to satisfy the judgement but then failed to make timely payments, so the court entered a judgement lien against him. Mr. Searles has since satisfied both the judgement and the lien. However, during his employment with a FINRA Member firm, Mr. Searles failed to inform his employers of these facts when he amended his U-4 on two different occasions and when asked on an annual compliance questionnaire whether he had any unsatisfied judgements or liens. Without admitting or denying the allegations, Mr. Searles consented to the FINRA Letter of Acceptance, Waiver and Consent and agreed to a 5-month suspension and \$5,000 fine. The suspension with FINRA has been completed and the fine paid.

### OTHER BUSINESS ACTIVITIES

#### Licensed Agent Activities

Mr. Searles is a licensed resident life, health, and annuity insurance agent by the State of Ohio and may license as a non-resident agent in other states. As an insurance agent, there are potential conflicts of interest when Mr. Searles, as a licensed Investment Advisory Representative, suggests the need for you to purchase an insurance product in which he will earn a commission. This can create a situation of **divided loyalty and the objectivity of the advice we render could be subjective** and create a disadvantage to you. Therefore, to ensure you understand your options when Mr. Searles approaches you on insurance products, we are providing you the following disclosures:



## Skybox Financial Group

### CONTACT INFORMATION

#### Home Office

7261 Engle Road, Suite 202  
Middleburg Heights, Ohio, 44130  
Tel: 440.238.6983  
Fax: 440.783.6266

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

### Continuation of Information for:

## G. Scott Searles

CRD#: 2400403

Year of Birth: 1971

### Continuation of licensed Agent Activities

Therefore, to ensure you understand your options when Mr. Searles approaches you on insurance products, we are providing you the following disclosures:

- You are under **no obligation to accept** Mr. Searles' recommendation to purchase insurance related products. You are free to reject the recommendation, or, if you need the insurance, to choose the insurance agency, agent, and insurance company from whom to purchase the insurance. However, keep in mind that if you elect to purchase the insurance, **regardless of where, and from whom you purchase it, such person will be entitled to earn a commission.**
- The Company does not share in any commissions earned by Mr. Searles or receive any economic benefit from the independent insurance companies without first notifying you of such possibilities.

Notwithstanding such potential conflicts of interest, **we strive to serve your best interest and ensure such disclosure is being properly made to you** in compliance with the Investment Adviser Act of 1940, Rule 275.206

Scott Searles is a licensed insurance agent and owner of Skybox Risk Management, LLC. From time to time, he will offer clients advice or products from those activities. Clients should be aware that these services pay a commission and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. Skybox Financial Group, LLC always acts in the best interest of the client, including the sale of commissionable products to advisory clients. Clients always have the right to decide whether or not to utilize the services of any representative of Skybox Financial Group, LLC in such individual's outside capacities.

### ADDITIONAL COMPENSATION

Annually, insurance companies have sales contests as a way to promote and incentivize the sale of their products. Mr. Searles, as an insurance agent, can earn awards, prizes, and/or bonuses for these sales. As a matter of policy, **our focus is on your financial goals not sales contests.** However, it is possible that Mr. Searles could receive an award or additional compensation for his insurance sales depending upon criteria set by specific insurance companies.

We make every effort to disclose the options you have in accepting our advice and any conflicts of interest you may encounter (See "Other Business Activities" above and see in the Disclosure Brochure Item 10, "**Other Financial Industry Activities & Affiliations**" and Item 14, "**Client Referrals & Other Compensation**" for more information on these disclosures.). You are welcome at any time to ask Mr. Searles if he is receiving any incentives for recommending you purchase an insurance product from a specific insurance company and he has the obligation to disclose that information to you.

### REQUIREMENTS FOR STATE-REGISTERED ADVISERS

Mr. Searles has not been found liable in an arbitration claim, civil litigation, self-regulatory organization/administrative proceeding (other than what has been reported above), or been the subject of a bankruptcy petition at any time during the past ten years.