

## **ITEM 1. INTRODUCTION**

Holifield Financial Advisory Services, Inc. DBA Prosper Financial Advisers is an SEC Registered Investment Adviser. Brokerage and investment management services and fees vary, so it is important for the retail investor to understand the differences. Free and simple tools are available at [Investor.gov/CRS](https://www.investor.gov/CRS) so investors can learn more about investing, broker-dealers, financial firms, investment advisers and other financial professionals.

## **ITEM 2. RELATIONSHIPS AND SERVICES**

### **A. What investment services and advice can you provide me?**

### **B. Description of Services**

We provide financial planning, consulting and investment management services to individuals, pension and profit-sharing plans, trusts, estates, charitable organizations, corporations, and business entities. We do not have a minimum account opening balance. Our portfolio management services are provided on a discretionary or non-discretionary basis. (You decide whether to grant us the authority to buy or sell securities without your consent.) We do not offer advice only with respect to proprietary products.

- **Monitoring:** We monitor portfolios as part of an ongoing process while regular account reviews are conducted at least quarterly. Client portfolios are reviewed for consistency with the intended investment strategy and expected performance.
- **Authority:** We manage client assets on either a discretionary or non-discretionary basis. With discretion you grant us the authority to determine the securities and amount to be bought or sold without your consent prior to each trade, (considering any restrictions placed on the account, if applicable). Without discretion you make the ultimate decision regarding the purchase or sale of investments.
- **Additional Information:** Please refer to our Form ADV, Part 2A brochure Items 4 and 7 of Part 2A for a more detailed description of our investment advisory services.

**Conversation Starters:** *“Given my financial situation, should I choose an investment advisory service? Why or why not?” “How will you choose investments to recommend to me?” “What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?”*

## **ITEM 3. FEES, COSTS, CONFLICTS, AND STANDARD OF CONDUCT**

### **A. What fees will I pay?**

Fees and costs affect the value of your account. Please ask your financial professional to give you personalized information on your fees and costs. Our fees reduce your investable assets and may be deducted from your account. The more assets you have in the advisory account, the more you will pay. This creates an incentive to increase the assets in your account in order to increase our fees. You pay our fee even if we do not trade in your account(s) and if your account does not appreciate in value. Our fees may vary and are negotiable.

The annual fee is a percentage of assets of up to 1.00%. It may be less than 1.00% and is negotiable depending upon the market value of the assets under management and the type of investment management services to be rendered. The fee for discretionary retirement plan services is also 1.00% of the assets under management annually. As a condition for starting and maintaining a relationship, the Adviser shall generally impose a minimum quarterly fee of \$500. The investment management fee is charged quarterly in advance and is calculated on a prorated basis for periods of less than one quarter. The initial fee for a new investment management client shall be based on the amount of assets to be managed initially. Subsequent fees shall be based upon the average month-end balance of the client's assets in the preceding three (3) months. Our Financial planning and consulting fees are negotiable, but generally range from \$500 to \$15,000 on a fixed fee basis and/or from \$200 to \$500 on an hourly rate basis, depending upon the level and scope of the services and the professional rendering the financial planning and/or the consulting services.

Our fees reduce your investable assets and may be deducted from your account. The more assets you have in the advisory account, including cash, the more you will pay. This is a conflict of interest as it creates an incentive to increase the assets in your account in order to increase our fees. Fees and costs affect the value of your account over time. Please ask your financial professional to give you personalized information on the fees and costs that you will pay.

- As an investment advisory client, you will pay a quarterly management fee and no transaction-based commissions. You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce the amount of money you make over time. Please make sure you understand what fees and costs you are paying.
- Some investments such as mutual funds impose additional fees that will reduce the value of your investment over time.
- Our fees do vary but are negotiable. The amount you pay will depend, for example, on how much you buy or sell, what type of investment you buy or sell, and what kind of account you have with us.
- We pass additional charges from our Clearing Firm on to you such as transaction fees, custodial fees, account maintenance fees, and account inactivity fees.

**Conversation Starter:** “Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will you invest for me?”

**B. What are your legal obligations to me when providing recommendations? How else does your firm make money and what conflicts of interest do you have?**

When we act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here are some examples to help you understand what this means: 1) We do offer advice with respect to proprietary or a limited menu of products. 2) We do not use the services of third parties in the management of client accounts. 3) We do not have any revenue sharing agreements. 4) We do buy and sell ETFs, mutual funds, stocks, etc., that our clients might also own; however, we are required to put the client’s interests first.

**Conversation Starter:** “How might your conflicts of interest affect me, and how will you address them?”

**C. How do your financial professionals make money?**

Investment advisor representatives receive a quarterly fee based upon your account’s market value. The fee will increase as your account value increases and will decrease if your account value decreases. Managed accounts are not charged any commissions, so the investment advisor representative only receives the quarterly fee.

It is important to understand the differences between a brokerage commission-based account and an asset-based fee account. You may prefer to paying:

<p><b>an asset-based fee</b> if you want continuing advice or want someone to make investment decisions for you, even though it may cost more than a transaction-based fee.</p>	<p><b>a transaction-based fee</b> from a cost perspective, if you do not trade often or if you plan to buy and hold investments for longer periods of time.</p>
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**ITEM 4. DISCIPLINARY HISTORY**

**Do you or your financial professionals have legal or disciplinary history?**

No. Visit [Investor.gov](http://Investor.gov) to research our firm and our financial professionals.

**Conversation Starter:** As a financial professional, do you have any disciplinary history? For what type of conduct?

**ITEM 5. ADDITIONAL INFORMATION**

Additional information can be found on our website, [www.prosperfinancialadvisers.com](http://www.prosperfinancialadvisers.com). A copy of this form will be posted to our site or available upon request by calling (727) 823-3801. We also encourage you to seek additional information.

- For information about brokers and services, visit [Investor.gov](http://Investor.gov) and/or BrokerCheck at [BrokerCheck.Finra.org](http://BrokerCheck.Finra.org).
- To report a problem to the SEC, visit [Investor.gov](http://Investor.gov) or call the SEC’s toll-free investor assistance line at (800) 732-0330. To report a problem to FINRA, visit <https://www.finra.org/investors/file-complaint>. If you have a problem with your investments, your account or one of our financial professionals, contact us in writing or call (727) 823-3801.
- Additional information about our company can be obtained by calling at (727) 823-3801 or emailing [rhondaholifield@prosperfinancialadvisers.com](mailto:rhondaholifield@prosperfinancialadvisers.com).

**Conversation Starter**

Who is my primary contact person? Is my contact a representative of an investment adviser or a broker-dealer? Whom can I talk to if I have concerns about how this person is treating me?