



# ASSOCIATION FINANCIAL SERVICES, LLC

A REGISTERED INVESTMENT ADVISER FIRM

Your Path To A Brighter Future

755 West Big Beaver Road, Suite # 2020

Troy, MI 48084-4925

(800) 943-8804

[www.association-financial.com](http://www.association-financial.com)

## **ADV Part 2A Firm Brochure October 22<sup>nd</sup>, 2020**

This brochure provides information about the qualifications and business practices of Association Financial Services, LLC. If you have any question about the contents of this brochure, please contact us at: (800) 943-8804. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities regulator.

Association Financial Services, LLC, is a Registered Investment Adviser Firm (RIA). Registration of an Investment Adviser does not imply any level of skill or training.

Additional information about Association Financial Services, LLC, is available on the SEC's website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Association Financial Services, LLC's CRD number is: 287975.



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755 West Big Beaver Road, Suite # 2020 • Troy, MI 48084-4925 | Office: (800) 943-8804 • Fax: (248) 942-4886  
Website: [www.association-financial.com](http://www.association-financial.com)

## Mission Statement

At Association Financial Services, our mission is simple; value our client and treat them how we would like to be treated. We want to be your partner and help create a financial plan that is tailored in your best interest and protection. We are dedicated to providing clients objective, tailored solutions that enhance their life and the lives of their family.

We are committed to maintaining the highest standards of integrity and professionalism in our relationship with you, our client. And finally, we will always place your needs before our own, as we are committed to understanding your financial situation and providing you with only the highest quality advice and service, in order to help you reach your personal goals and objectives.

Sincerely,

Roffé M. Hofmann  
*Managing Member*

- Education Planning | Educational Workshops
- Insurance Planning
- Investment Planning
- Personalized Financial Planning
- Public Notary Services
- Retirement Planning
- Social Security Planning
- Wealth Management

## **Item 2 – Material Changes**

This is the third annual update to our firm brochure since our registration as an Investment Adviser, which was on March 28<sup>th</sup>, 2017. We do not have any material changes to report since that date. In the future, this Item will discuss only specific material changes that are made to the brochure and provide clients with a summary of these changes. We will also reference the date of our last annual update to this brochure.

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## **Item 4 – Advisory Business**

### OWNERSHIP / ADVISORY HISTORY

Association Financial Services, LLC (“We”), became a Michigan limited liability company on January 29<sup>th</sup>, 2014, with Roffé M. Hofmann as the Managing Member and Chief Compliance Officer (CCO). In March of 2017, we became registered as an Investment Adviser in the state of Michigan. Additional information about Mr. Hofmann can be found under Item 19, along with his attached Supplemental Brochure.

### ADVISORY SERVICES OFFERED

#### FINANCIAL PLANNING SERVICES

We provide financial consulting services when a client requires assistance with individual financial topics. Our advice may be provided on education planning, insurance planning, investment planning, personalized financial planning, retirement planning, social security planning, wealth management, or other needs as identified by us and the client. This service generally does not involve creating a written financial plan. Typically, we meet with the client to discuss his or her questions, conduct research, and present our findings through a second meeting.

#### PORTFOLIO MANAGEMENT SERVICES

We offer discretionary Portfolio Management Services that involve assisting with the ongoing management of a client’s investment account(s). We work with the client to formulate an individualized portfolio based upon his or her objectives, time frame, risk parameters, and other investment considerations. Once we have this information, we create an individualized portfolio for the client.

#### RECOMMENDATION AND MONITORING OF THIRD-PARTY INVESTMENT ADVISERS

We may recommend the services of a third-party Investment Adviser (“Sub-Adviser”) to manage the client’s account(s). Minimum account size may be required by the Sub-Adviser. The recommendation will depend on the client’s circumstances, goals and objectives, strategy desired, account size, risk tolerance, or other factors. Clients are never obligated to use a recommended Sub-Adviser.

When making a recommendation to the client, we consider the following factors: fees, reputation, performance, financial strength, management, price, reporting capabilities, client’s financial situation, client’s goals, client’s needs, and client’s investment objectives. After our review, we present the client with the recommendation(s). If the client wishes to proceed, we enter into a Sub-Adviser relationship with the recommended Sub-Adviser. The client will sign an agreement that allows us to delegate our discretionary authority to the Sub-Adviser. However, we maintain the ability to remove the Sub-Adviser from the account at any time. Under the agreement, the Sub-Adviser is responsible for portfolio management, best execution, portfolio reporting, trading, and trade error resolution. We maintain our relationship with the client by monitoring the status of the client’s account(s) with the Sub-Adviser, making recommendations about the Sub-Adviser, meeting with the client either in person or by telephone at least annually, collecting the management fee, and acting as the client’s primary financial adviser. All questions regarding the Sub-Adviser’s services and performance should be directed to us.

Clients using the services of a Sub-Adviser will receive full disclosure at the time of the referral by delivery of a copy of the Sub-Adviser’s Form ADV Part 2A, or equivalent disclosure document, before receiving investment advisory services from the Sub-Adviser. We currently recommend the services of Eastsound Capital Advisors, LLC (CRD#: 160180).

#### TAILORED SERVICES

The goals and objectives for each client are documented before any investing takes place. Each client is given a financial survey which covers many facets of a person’s financial life. Goals and objectives are summarized in a Client Investment Profile determined from this survey and a personal interview with the client. Clients may impose restrictions on investing in certain securities or types of securities.

#### WRAP PROGRAM

We do not sponsor a wrap program. This section is not applicable.

#### CLIENT ASSETS MANAGED

As of December 31<sup>st</sup>, 2019, we manage approximately \$3,500,000.00 in discretionary assets and \$0 in non-discretionary assets. Please see Item 10, under subheading “Other Industry Affiliations”, for additional details and assets regarding non-security investments we manage.

### **Item 5 – Fees and Compensation**

#### FINANCIAL CONSULTING SERVICES

We charge an hourly fee of \$200 for financial consulting services. The total fee depends upon the nature and complexity of each client’s individual circumstances and the number of topics covered by the service. The fee is negotiable. At the time of engagement, we provide the client with a written estimate of the total fee. We require 50% of the estimate at the time of engagement and the remaining 50% due upon delivery of our findings.

#### PORTFOLIO MANAGEMENT SERVICES / RECOMMENDATION AND MONITORING OF THIRD-PARTY INVESTMENT ADVISERS

We charge an annual management fee for our portfolio management services that is based on a percentage of the assets under management. The management fee schedule is:

<b>Custodian Reported Value</b>	<b>Management Fee</b>
\$0 to \$100,000	1.95%
\$100,000.01 to \$250,000	1.75%
\$250,000.01 to \$500,000	1.50%
\$500,000.01 to \$750,000	1.25%
\$750,000.01 to \$1,000,000	1.00%
Above \$1,000,000	Negotiable

The management fee is negotiable. Cash balances and investments in money market funds are counted toward the account value when calculating the management fee.

The management fee is calculated and collected monthly, in advance, meaning that we collect the management fee at the beginning of the monthly billing period.

The management fee will be based on the account value as of the last business day of the previous month-end as reported by the account's custodian. Our management fee is not based on the financial performance or capital gains or losses experienced by the account.

When the client agrees to the services of a Sub-Adviser, as described in Item 4 above, we pay the Sub-Adviser a portion of our management fee. The client does not incur any additional charges for the Sub-Adviser's services.

Our management fee does not include brokerage commissions, transaction fees, or other related costs and expenses that are normally incurred by the client. Clients may incur certain charges imposed by custodians, brokers, and other third parties such as fees charged by fund managers, 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, our fee and we will not receive any portion of these commissions, fees, and costs. For more information about our brokerage practices, please see Item 12.

The client acknowledges that we, the Adviser, requires at least 24-hours prior notice when cancelling an appointment. Client understands that we charge a \$35 cancellation fee for no-show appointments and cancellation within 24-hours of an appointment. Emergency cancellations will incur no fee. The client authorizes us to withdraw the cancellation fee directly from the client's account. The client may terminate this authorization at any time by contacting us in writing. Once authorization is terminated, client may still be responsible for any applicable cancellation fees, current or future, and will be billed directly for those charges.

A client may terminate any service for any reason within the first five (5) business days after signing our advisory contract, without any cost or penalty. Thereafter, the advisory contract may be terminated at any time by giving seven (7) days notarized written notice. To cancel the agreement, the client must notify us in writing to: Association Financial Services, LLC – 755 West Big Beaver Road, Suite # 2020 • Troy, MI 48084-4925. The client will receive a prorated refund of any unearned fee based on the number of days remaining during the termination month. For example, if 15 days remain during a 30-day month, the client will receive a 50% refund. The refund will be returned to the account if permitted by the custodian. Otherwise, the refund will be paid by company check.

#### **Item 6 – Performance-Based Fees and Side by Side Management**

We do not charge any performance-based fees (fees based on a share of capital gains, or capital appreciation of the assets in a client account) or provide side by side management.

#### **Item 7 – Types of Clients**

We offer our services to individuals, high net worth individuals, corporations, and other business entities. We do not require a minimum account size.

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

##### METHODS OF ANALYSIS AND INVESTMENT STRATEGIES

We manage client accounts that use a combination of the following types of analysis:

Asset Allocation is an investment strategy that aims to balance risk and reward by apportioning a portfolio's assets according to an individual's goals, risk tolerance, and investment horizon among various asset classes. The asset classes typically include equities, fixed-income, and cash and equivalents.

The risk associated with asset allocation is that each class has different levels of risk and return, so each will behave differently over time.

**There is no assurance that a diversified portfolio will produce better returns than an undiversified portfolio, nor does diversification assure against market loss.**

Fundamental analysis is a technique that attempts to determine a security's value by focusing on underlying factors that affect a company's *actual* business and its future prospects.

The analysis is performed on historical and present data. On a broader scope, one can perform fundamental analysis on industries or the economy as a whole. The term refers to the analysis of the economic well-being of a financial entity as opposed to only its price movements. The risk associated with fundamental analysis is that despite the appearance that a security is undervalued, it may not rise in value as predicted.

#### INVESTMENT RISKS

All investment programs have certain risks that are borne by the client and **investing in securities involves risk of loss that clients should be prepared to bear. Past performance is not indicative of future results.**

Our goal is to reduce the risk of loss, but not at the expense of portfolio growth. Recommended investment strategies seek to balance risks and rewards to achieve investment objectives. To manage risk, we rebalance model portfolios on an as needed basis to bring the asset allocations back to their intended balances. The client should feel free to ask questions about risks that he or she does not understand; we would be pleased to discuss them.

#### RECOMMENDED SECURITIES INVESTMENTS & NON-SECURITY INVESTMENTS

We use several types of securities in client portfolios including, but not limited to, variable annuity subaccounts, fixed indexed annuities (may or may not be considered a security), shares, units, direct or indirect interests in stocks; bonds, corporate, federal, state, municipal, and agency debt; money market funds, mutual funds (open and closed-end investment companies); exchange traded funds; hedge funds; unit investment trusts; real estate investment trusts; limited partnerships, oil and gas interests, limited liability companies, business trusts investing in mortgages, consumer or commercial loans, securities or other types of fixed or intangible assets; and other kinds of investment trusts; collateralized mortgage obligations; asset-backed securities; and other types of securities now or later offered by domestic or foreign issuers. Non-security Investments include fixed annuities and may also include fixed indexed annuities.

Some of the risk(s) associated with these investments may include:

- **Credit Risk:** This is the risk that an issuer of a bond could suffer an adverse change in financial condition that results in a payment default, security downgrade, or inability to meet a financial obligation.
- **Inflation Risk:** This is the risk that inflation will undermine the performance of an investment and/or the future purchasing power of a client's assets.

- **Interest Rate Risk:** The chance that bond prices overall will decline because of rising interest rates.
- **International Investing Risk:** Investing in the securities of non-U.S. companies involves special risks not typically associated with investing in U.S. companies. Foreign securities tend to be more volatile and less liquid than investments in U.S. securities, and may lose value because of adverse political, social or economic developments overseas, or due to changes in the exchange rates between foreign currencies and the U.S. dollar.

In addition, foreign investments are subject to settlement practices, as well as regulatory and financial reporting standards, that differ from those of the U.S.

- **Leverage Fund Risk:** A leveraged fund seeks to generate a return that is a multiple (usually 2X or 3X or -2X or -3X) of its benchmark index's performance over a specific, pre-set time period indicated in the fund's prospectus. That time period is also referred to as the "rebalancing period", and it is generally only one day, although it could be for a longer time period such as a month. As a result, the returns for these types of funds can differ significantly from that of their benchmark index, over periods lasting longer than the rebalancing period because of the compounding of returns. Generally, the longer the security is held, the more likely the returns of the leveraged product will differ from the long-term return of the index.

**Although potential returns are increased by leveraging, so are the potential losses, so these securities carry significant risk.** As a result, leveraged and inverse funds are intended only for sophisticated investors with an aggressive tolerance for risk.

- **Inverse Fund Risk:** An inverse fund attempts to mimic the inverse, or opposite, of its stated benchmark.

For example, an inverse S&P 500 fund would attempt to deliver the opposite of the S&P 500's daily performance, net of fees. These funds, also called "short funds or Bear funds", are often an attempt to profit from a downturn in a market, sector or index, or to hedge against a potential loss in their portfolio. Although an inverse fund does not explicitly use leverage to magnify the intended return, they can suffer from the same compounding effects as the leveraged long and leveraged short funds.

- **Manager Risk:** The chance that the proportions allocated to the various securities will cause the client's account to underperform relevant to benchmarks or other accounts with a similar investment objective.
- **Stock Market Risk:** The chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising stock prices and periods of falling stock prices.

### 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 each supervised person providing investment advice. These include the following:

- A. A criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which the *supervised person*

1. was convicted of, or pled guilty or nolo contendere (“no contest”) to (a) any *felony*; (b) a *misdemeanor* that *involved* investments or an *investment-related* business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses;
2. is the named subject of a pending criminal *proceeding* that involves an *investment-related* business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses;
3. was *found* to have been *involved* in a violation of an *investment-related* statute or regulation; or
4. was the subject of any *order*, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, the *supervised person* from engaging in any *investment-related* activity, or from violating any *investment-related* statute, rule, or *order*.

Mr. Hofmann has no information applicable to this item.

- B. An administrative *proceeding* before the SEC, any other federal regulatory agency, any state regulatory agency, or any *foreign financial regulatory authority* in which the *supervised person*
  1. was *found* to have caused an *investment-related* business to lose its authorization to do business; or
  2. 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
    - i. denying, suspending, or revoking the authorization of the *supervised person* to act in an *investment-related* business;
    - ii. barring or suspending the *supervised person's* association with an *investment-related* business;
    - iii. otherwise significantly limiting the *supervised person's investment-related* activities; or
    - iv. imposing a civil money penalty of more than \$2,500 on the *supervised person*.

Mr. Hofmann has no information applicable to this item.

- C. A *self-regulatory organization (SRO) proceeding* in which the *supervised person*
  1. was *found* to have caused an *investment-related* business to lose its authorization to do business; or
  2. was *found* to have been *involved* in a violation of the *SRO's* rules and was: (i) barred or suspended from membership or from association with other members or was expelled from membership; (ii) otherwise significantly limited from *investment-related* activities; or (iii) fined more than \$2,500.

Mr. Hofmann has no information applicable to this item.

- D. Any other *proceeding* in which a professional attainment, designation, or license of the *supervised person* was revoked or suspended because of a violation of rules relating to professional conduct.

If the *supervised person* resigned (or otherwise relinquished his attainment, designation, or license) in anticipation of such a *proceeding* (and the adviser knows, or should have known, of such resignation or relinquishment), disclose the event.

Mr. Hofmann has no information applicable to this item.

## **Item 10 – Other Financial Industry Activities and Affiliations**

### BROKER-DEALER AFFILIATIONS

We do **not** have any broker-dealer affiliations.

### FUTURES / COMMODITIES FIRM AFFILIATION

We are **not** affiliated with a futures or commodities broker.

### OTHER INDUSTRY AFFILIATIONS

Our owner, Mr. Hofmann, is an independent insurance agent and he and his associates may recommend these services. This other business activity pays our associates commissions that are separate from the fees described in Item 5 above. In addition, investment related annuities offered by life insurance companies may also be marketed and sold by our licensed agents. An annuity may or may not be part of a financial plan. We consider many factors prior to making annuity recommendations, such as a client's risk tolerance for market volatility, liquidity needs, income needs, legacy desires, etc. Insurance companies offering annuities typically pay licensed agencies/agents an upfront commission and ongoing trail commissions. Fee based annuities are also available. Upfront commissions may range from 3.5% - 7.5%, with annual trail commissions ranging from 0.25% - 1.25% (25 - 125 basis points). Commissions can vary higher or lower. This is a conflict of interest because commissions give him and his associates a financial incentive to recommend and sell clients annuities. However, Mr. Hofmann and his associates attempt to mitigate any conflicts of interest to the best of their ability by placing the clients' interests ahead of their own through their fiduciary duty, and by informing clients that they are never obligated to purchase any recommended insurance products or securities through them.

**It is important to note that a large portion of our clients are not comfortable with stock market volatility and therefore, prefer annuities offered by different insurance companies that provide options such as "guaranteed minimum interest rates (GMIR)", "index options", "interest cap rates and/or participation rates", and additional benefits that may be available.**

As a final note, many of our clients would rather place most if not all of their assets in fixed or fixed indexed annuities and if so elected, a smaller portion of their assets invested in the market.

As of December 31<sup>st</sup>, 2019, we manage approximately \$20,000,000.00 in non-security investments, which are placed in fixed and fixed indexed annuities with various insurance companies through Association Financial, LLC, an affiliated company.

### SELECTION AND MONITORING OF THIRD-PARTY INVESTMENT ADVISERS

We may recommend the services of unaffiliated third-party Investment Advisers to assist in managing a client's account.

We will disclose the use of an unaffiliated third-party Adviser when used in a client's account. Please see Items 4 and 5 above for additional details.

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

### DESCRIPTION

Our Code of Ethics establishes ideals for ethical conduct based upon fundamental principles of openness, integrity, honesty, and trust. We will provide a copy of our Code of Ethics to any client or prospective client upon request.

Our Code of Ethics covers all supervised persons and it describes our high standard of business conduct and fiduciary duty to our clients.

The Code of Ethics includes, among other things, provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition on rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures. All supervised persons must acknowledge the terms of the Code of Ethics annually or as amended.

### MATERIAL INTEREST IN SECURITIES

We do **not** have a material interest in any securities.

### INVESTING IN OR RECOMMENDING THE SAME SECURITIES

Our owners may buy or sell for their own account the same securities, at or about the same time that they recommend those securities to clients or purchase them for client accounts.

A conflict of interest may exist because they can trade ahead of client trades. We mitigate any conflict of interest in two ways. First, our Code of Ethics requires employees to report personal securities transactions on at least a quarterly basis and provide us with a detailed summary of certain holdings (both initially upon commencement of employment and quarterly thereafter), in which employees have a direct or indirect beneficial interest. The reports are reviewed to ensure we not trading ahead of client accounts.

Second, we require client transactions be placed ahead of our associates' personal trades, or our associates can place personal trades as part of a block trade (Please see Item 12 for details on our block trading practices).

The records of all associates' personal and client trading activities are reviewed and made available to regulators to review on the premises.

## **Item 12 – Brokerage Practices**

### RECOMMENDATION CRITERIA

Some of the primary considerations in determining reasonableness of commissions are: rates charged by other brokers that provide clearing or custody services for Registered Investment Advisers; reputation and financial strength; breadth and depth of available products, with an important factor being the broker's no-transaction-fee mutual fund universe; accuracy with which transactions are processed; customer service responsiveness; availability of technology solutions interoperable with our systems and suitable for managing multiple accounts; as well as client satisfaction.

We periodically evaluate the foregoing factors, and while we may conclude based on our review that commission rates paid by clients are reasonable, lower commissions may be available from other brokers or in conjunction with retail (non-advisory) accounts, and certain mutual funds that carry a transaction fee may be available on a no-transaction-fee basis from other brokers or directly from the fund company.

#### RESEARCH AND SOFT DOLLARS

“Soft dollars” are defined as a form of payment investment firms can use to pay for goods and services such as news subscriptions or research. When an investment firm gives its business to a particular brokerage firm, the brokerage firm in return can agree to use some of its revenue to pay for these types of services. We do not receive any soft dollars.

#### BROKERAGE FOR CLIENT REFERRALS

We do not receive client referrals or any other incentive from any broker-dealer or custodian.

#### DIRECTED BROKERAGE

Some clients may direct us to a specific broker-dealer to execute securities transactions for their accounts. When so directed, we may not be able to effectively negotiate lower brokerage commissions or achieve best execution on those clients’ transactions. This can result in substantially higher fees, charges, or dealer concessions in one or more transactions for the clients’ account(s) because we cannot negotiate favorable prices.

#### TRADE AGGREGATION

We may aggregate transactions (block trade) in equity and fixed income securities for a client with other clients to improve the quality of execution. When transactions are so aggregated, the actual prices applicable to the aggregated transactions will be averaged, and each client account will be deemed to have purchased or sold its proportionate share of the securities involved at the average price obtained.

We may determine not to aggregate transactions, for example, based on the size of the trades, the number of client accounts, the timing of the trades, the liquidity of the securities, or the discretionary or non-discretionary nature of the trades.

If we do not aggregate orders, some clients purchasing securities around the same time may receive a less favorable price than other clients. This means that the practice of not aggregating may cost clients more money.

### **Item 13 – Review of Accounts**

#### PERIODIC REVIEWS

Mr. Hofmann, our owner, meets with each client on an annual basis either in person or by telephone to review his or her account.

#### OTHER REVIEWS

Additional reviews are conducted periodically depending on market conditions, economic or political events, or by changes in a client’s financial situation (such as retirement, termination of employment, physical move, and inheritance).

## REPORTS

We do not provide written reports.

### **Item 14 – Client Referrals and Other Compensation**

#### CLIENT REFERRALS

We do not pay for client referrals or use solicitors. However, we may recommend the services of an unaffiliated Sub-Adviser, as described in Items 4 and 5 above. The client does not pay an additional fee for the use of a Sub-Adviser because we pay the Sub-Adviser a portion of our fee.

#### OTHER COMPENSATION

We do not receive extra compensation or any other economic benefit for providing investment advice or other advisory services to clients.

### **Item 15 – Custody**

All client funds, securities, and accounts are held at third-party custodians. We do not take possession of a client's assets or securities. However, clients will be asked to authorize us with the ability to deduct our management fee from their accounts. This authorization is considered a limited form of custody. We will comply with each state's custody requirements including Texas, Administrative Code Rule 116.17. The client may obtain statements online from the account's custodian at any time. Paper statements, if elected, are charged \$5.00 per month and will be deducted from the client's account. We urge clients to review those statements carefully.

### **Item 16 – Investment Discretion**

We offer discretionary investment management services. With discretionary investment management services, the client will sign a client investment management agreement that includes a limited power of attorney.

This agreement grants us discretionary power over the account, which means we can place trades, buy or sell securities of any type, in our chosen amounts, and at the time we deem appropriate for the account. We do this without obtaining the client's prior consent to each trade.

### **Item 17 – Voting Client Securities**

We do not vote proxy votes for any client. Any proxy solicitation materials received by us will be forwarded to clients for their response and voting. In the event a client has a question about a proxy solicitation, the client should contact us.

### **Item 18 – Financial Information**

#### BALANCE SHEET

We do not require or solicit prepayment of more than \$500 in fees per client, six months or more in advance. Therefore, we are not required to provide a balance sheet.

#### FINANCIAL CONDITION

We are required in this Item to provide you with certain financial information or disclosures about our financial condition, if we have a financial commitment that impairs our ability to service you. We do not have a financial commitment that impairs our ability to service our clients.

## BANKRUPTCY

We have not been the subject of a bankruptcy proceeding.

### **Item 19 – Requirements for State-Registered Advisers**

We have one principal executive officer, Roffé M. Hofmann (“Mr. Hofmann”). Mr. Hofmann’s biographical information is provided in the attached Brochure Supplement document. Mr. Hofmann is required to disclose any other business activities. He is an independent insurance agent and may receive commissions and/or trail commissions for the sale of insurance products. This activity and any conflicts of interest associated therewith are discussed in Item 10 of this brochure.

Mr. Hofmann is also a Managing Member of a transportation services company and a Notary Public. These are non-investment related activities.

Mr. Hofmann is also required to disclose additional information if charging performance-based fees, has any relationship or arrangement with an issuer of securities, or was ever found liable in an arbitration, civil, self-regulatory organization(s), or administrative proceeding. Mr. Hofmann does not have anything to report on these issues.

### **Item 20 – Additional Information**

## YOUR PRIVACY

We consider the protection of your private information a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do **not** disclose any nonpublic personal information about you to any non-affiliated third parties, except as permitted by law. In the course of servicing your account, we may share information with our service providers such as accountants, attorneys, broker-dealers, clearing firms, consultants, custodians, introducing broker-dealers, and transfer agents. Broker-dealer firms and introducing broker-dealer firms have requirements to supervise certain activities performed by Association Financial Services, LLC.

We restrict internal access to nonpublic personal information about you to employees who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your nonpublic personal information and to ensure our integrity and confidentiality. We will **not** sell information about you or your accounts to anyone. We do **not** share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. Please contact Mr. Hofmann, Chief Compliance Officer at: (800) 943-8804, if you have any questions regarding this policy.



# ASSOCIATION FINANCIAL SERVICES, LLC

A REGISTERED INVESTMENT ADVISER FIRM

Your Path To A Brighter Future

## Roffé M. Hofmann

Association Financial Services, LLC

755 West Big Beaver Road, Suite # 2020

Troy, MI 48084-4925

(800) 943-8804

[www.association-financial.com](http://www.association-financial.com)

## ADV Part 2B for Michigan

### Brochure Supplement

October 22<sup>nd</sup>, 2020

This Brochure Supplement provides information about Roffé M. Hofmann that supplements the Association Financial Services, LLC, Brochure. You should have received a copy of that Brochure. Please contact Mr. Hofmann at: (800) 943-8804, if you did not receive an Association Financial Services, LLC, Brochure, or if you have any questions about the contents of this supplement.

Additional information about Roffé Hofmann is available on the SEC's website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for Mr. Hofmann is: 4056315.

## Item 2 – Educational Background and Business Experience

**Roffé M. Hofmann**

**Born:** 1968

**Education:** *University of Michigan (Flint)* – Over 100 credit hours earned, with nearly 100 credit hours transferred and completed at the University of Michigan toward a bachelor’s degree in business administration – Attained senior status but did not graduate.

### **Business Background:**

***Association Financial Services, LLC*** – January 2014 to Present

- Managing Member and CCO
- Investment Adviser Representative (March 2017 to Present)

***Association Financial, LLC*** – January 2014 to Present

- Managing Member
- Independent Insurance Agent

***Association Services*** – August 1998 to January 2014

- Independent Insurance Agent

***Capital Analysts, LLC*** – March 2016 to February 2017

- Investment Adviser Representative

***Lincoln Investment, LLC*** – January 2013 to February 2017

- Registered Representative

## Item 3 – Disciplinary History

Registered Investment Advisers are required to disclose all material facts regarding any legal or disciplinary events, that could be material to your evaluation of each supervised person providing investment advice. These include the following:

- A. A criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which the *supervised person*
  1. was convicted of, or pled guilty or nolo contendere (“no contest”) to (a) any *felony*; (b) a *misdemeanor* that *involved* investments or an *investment-related* business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses;
  2. is the named subject of a pending criminal *proceeding* that involves an *investment-related* business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses;
  3. was *found* to have been *involved* in a violation of an *investment-related* statute or regulation; or

4. was the subject of any *order*, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, the *supervised person* from engaging in any *investment-related* activity, or from violating any *investment-related* statute, rule, or *order*.

Mr. Hofmann has no information applicable to this item.

- B. An administrative *proceeding* before the SEC, any other federal regulatory agency, any state regulatory agency, or any *foreign financial regulatory authority* in which the *supervised person*
  1. was *found* to have caused an *investment-related* business to lose its authorization to do business; or
  2. 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
    - i. denying, suspending, or revoking the authorization of the *supervised person* to act in an *investment-related* business;
    - ii. barring or suspending the *supervised person's* association with an *investment-related* business;
    - iii. otherwise significantly limiting the *supervised person's investment-related* activities; or
    - iv. imposing a civil money penalty of more than \$2,500 on the *supervised person*.

Mr. Hofmann has no information applicable to this item.

- C. A *self-regulatory organization (SRO) proceeding* in which the *supervised person*
  1. was *found* to have caused an *investment-related* business to lose its authorization to do business; or
  2. was *found* to have been *involved* in a violation of the *SRO's* rules and was: (i) barred or suspended from membership or from association with other members, or, was expelled from membership; (ii) otherwise significantly limited from *investment-related* activities; or (iii) fined more than \$2,500.

Mr. Hofmann has no information applicable to this item.

- D. Any other *proceeding* in which a professional attainment, designation, or license of the *supervised person* was revoked or suspended because of a violation of rules relating to professional conduct. If the *supervised person* resigned (or otherwise relinquished his attainment, designation, or license) in anticipation of such a *proceeding* (and the adviser knows, or should have known, of such resignation or relinquishment), disclose the event.

Mr. Hofmann has no information applicable to this item.

#### **Item 4 – Other Business Activities**

Mr. Hofmann is an independent insurance agent. He may recommend and sell insurance products for various insurance companies through Association Financial, LLC, an affiliated company. Mr. Hofmann spends approximately 80 hours per month on this investment related activity. These services pay him commissions that are separate from the Investment Adviser fees outlined in Item 5 of Association Financial Services, LLC's ADV Part 2A. In addition, investment related annuities offered by life insurance companies may also be marketed and sold by Mr. Hofmann. An annuity may or may not be part of a financial plan. Mr. Hofmann considers many factors prior to making annuity recommendations, such as a client's risk tolerance for market volatility, liquidity needs, income needs, legacy desires, etc. This is a conflict of interest because it creates a financial incentive to recommend and sell clients annuities. However, Mr. Hofmann attempts to mitigate any conflicts of interest to the best of his ability by placing the clients' interests ahead of his own through his fiduciary duty, and by informing clients that they are never obligated to purchase any recommended insurance products or securities through Mr. Hofmann.

**It is important to note that a large portion of our clients are not comfortable with stock market volatility and therefore, prefer annuities offered by different insurance companies that provide options such as "guaranteed minimum interest rates (GMIR)", "index options", "interest cap rates and/or participation rates", and additional benefits that may be available.**

Mr. Hofmann is also a servicing representative for Voya Financial where he continues to provide customer service for an existing client base. He spends approximately 1 hour per month on this activity. Mr. Hofmann does not earn a fee and/or commission for this service. This is not a conflict of interest as he does not recommend or sell insurance to Association Financial, LLC's clients through Voya Financial.

Mr. Hofmann is a Public Notary. He spends approximately 2 hours per month on this non-investment related activity.

Mr. Hofmann is a Managing Member of XFER VIP, LLC, which is a High-Level Executive and Celebrity Transportation Service. He spends approximately 40 hours per month on this non-investment related activity.

Mr. Hofmann is an FFL Dealer with the BATFE – Bureau of Alcohol, Tobacco, Firearms and Explosives. He spends approximately 4 hours per month on this non-investment related activity.

#### **Item 5 – Additional Compensation**

Mr. Hofmann does not receive any additional compensation.

#### **Item 6 – Supervision**

Mr. Hofmann is the sole principal and Chief Compliance Officer (CCO) of the firm. As a result, he has no internal supervision placed over him. He is however, bound by the Adviser's Code of Ethics and written policies and procedures.

#### **Item 7 – Requirements for State-Registered Advisers**

##### Arbitration or Civil, Self-Regulatory Organization or Administrative Proceedings

Mr. Hofmann has not been the subject of any arbitration, civil, self-regulatory organization or administrative finding. He has not personally petitioned for bankruptcy in the past ten years and has no information applicable to this item.



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## ADV Part 2B for Texas Brochure Supplement October 22<sup>nd</sup>, 2020

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## Item 2 – Education Background and Business Experience

**Roffé M. Hofmann**

**Born:** 1968

### **Education:**

**University of Michigan (Flint)** – Completed 49 credit hours toward a bachelor’s degree in business administration between 2011 through 2013. Maintained a 3.94 GPA, attained senior status, but did not graduate.

**DeVry University** – Completed 20 credit hours toward a bachelor’s degree in business administration between 2009 and 2010. Maintained a 4.00 GPA but did not graduate.

**Western International University** – Completed 45 credit hours toward a bachelor’s degree in business administration between 2004 and 2005. Maintained a 3.98 GPA but did not graduate.

### **Business Background:**

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- Investment Adviser Representative (March 2017 to Present)

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- A. A criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which the *supervised person*
  1. was convicted of, or pled guilty or nolo contendere (“no contest”) to (a) any *felony*; (b) a *misdemeanor* that *involved* investments or an *investment-related* business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses;
  2. is the named subject of a pending criminal *proceeding* that involves an *investment-related* business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses;

3. was *found* to have been *involved* in a violation of an *investment-related* statute or regulation; or
4. was the subject of any *order*, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, the *supervised person* from engaging in any *investment-related* activity, or from violating any *investment-related* statute, rule, or *order*.

Mr. Hofmann has no information applicable to this item.

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