Firm Brochure
(Part 2A of Form ADV)

Honeycutt Financial, LLC
676 Independence Pkwy Ste 120-A
Chesapeake, VA 23320
757-962-7522
www.honeycuttfinancial.com
vivian@honeycuttfinancial.com

This brochure provides information about the qualifications and business practices of HONEYCUTT FINANCIAL, LLC. If you have any questions about the contents of this brochure, please contact us at: 757-962-7522, or VIVIAN@HONEYCUTTFINANCIAL.COM. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority.

Additional information about HONEYCUTT FINANCIAL, LLC is available on the SEC's website at www.adviserinfo.sec.gov

March 29, 2017

Material Changes

Annual Update

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

Material Changes since the Last Update

The U.S. Securities and Exchange Commission issued a final rule in July 2010 requiring advisers to provide a Firm Brochure in narrative “plain English” format. The new final rule specifies mandatory sections and organization.

Full Brochure Available

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: 757-962-7522 or by email vivian@honeycuttfinancial.com .

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Advisory Business

Firm Description

HONEYCUTT FINANCIAL, LLC, was founded in 2005

HONEYCUTT FINANCIAL, LLC provides personalized confidential financial planning and investment management to individuals, pension and profit sharing plans, trusts, estates, charitable organizations and small businesses. Advice is provided through consultation with the client and may include: determination of financial objectives, identification of financial problems, cash flow management, tax planning, insurance review, investment management, education funding, retirement planning, and estate planning.

HONEYCUTT FINANCIAL, LLC is strictly a **fee-only** financial planning and investment management firm. The firm does not sell annuities, insurance, stocks, bonds, mutual funds, limited partnerships, or other commissioned products. The firm is not affiliated with entities that sell financial products or securities, nor does it participate in wrap fee accounts. No commissions in any form are accepted. No finder's fees are accepted.

Investment advice is an integral part of financial planning. In addition, HONEYCUTT FINANCIAL, LLC advises clients regarding cash flow, college planning, retirement planning, tax planning and estate planning.

Investment advice is provided, with the client making the final decision on investment allocation. HONEYCUTT FINANCIAL, LLC does not act as a custodian of client assets. The client always maintains asset control. HONEYCUTT FINANCIAL, LLC places trades for clients under a limited power of attorney.

A written evaluation of each client's initial situation is provided to the client, often in the form of a net worth statement. Periodic reviews are also communicated to provide reminders of the specific courses of action that need to be taken. More frequent reviews occur but are not necessarily communicated to the client unless immediate changes are recommended.

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) are engaged directly by the client on an as-needed basis. Conflicts of interest will be disclosed to the client in the unlikely event they should occur.

The initial meeting, which may be by telephone (757-962-7522), is free of charge and is considered an exploratory interview to determine the extent to which financial planning and investment management may be beneficial to the client.

Principal Owners

Vivian M Honeycutt CFP® is a 100% stockholder and owner of HONEYCUTT FINANCIAL, LLC

Types of Advisory Services

HONEYCUTT FINANCIAL, LLC provides investment supervisory services, also known as asset management services; manages investment advisory accounts not involving investment supervisory services; furnishes investment advice through consultations.

On more than an occasional basis, HONEYCUTT FINANCIAL, LLC furnishes advice to clients on matters not involving securities, such as financial planning matters, taxation issues, and trust services that often include estate planning.

As of January 2017, HONEYCUTT FINANCIAL, LLC manages approximately $14 million in assets for approximately 17 client families. Approximately $10 million is managed on a discretionary basis, and $4 million is managed on a non-discretionary basis.

Tailored Relationships

The goals and objectives for each client are documented in our client relationship management system. Investment policy statements are created that reflect the stated goals and objective. Clients may impose restrictions on investing in certain securities or types of securities.

Agreements may not be assigned without client consent.

Types of Agreements

The following agreements define the typical client relationships.

Financial Planning Agreement

A financial plan is designed to help the client with all aspects of financial planning **without** ongoing investment management after the financial plan is completed.

The financial plan may include, but is not limited to: a net worth statement; a cash flow statement; a review of investment accounts, including reviewing asset allocation and providing repositioning recommendations; strategic tax planning; a review of retirement accounts and plans including recommendations; a review of insurance policies and recommendations for changes, if necessary; one or more retirement scenarios; estate planning review and recommendations; and education planning with funding recommendations.

Detailed investment advice and specific recommendations are provided as part of a financial plan. Implementation of the recommendations is at the discretion of the client.

The fee for a financial plan is predicated upon the facts known at the start of the engagement. The fee range is $2,000 up to $5,000.00 based on the anticipated number of hours needed to complete the plan and the complexity of the client situation. Once a planning fee is agreed to, ½ of the fee is due at the commencement of planning work, and the balance is due upon completion of the financial plan. The planning fee is NEGOTIABLE *depending on the client situation.* Since financial planning is a discovery process, situations occur wherein the client is unaware of certain financial exposures or predicaments.

In the event that the client's situation is substantially different than disclosed at the initial meeting, a revised fee will be provided for mutual agreement. The client must approve the change of scope in advance of the additional work being performed when a fee increase is necessary.

A Client may cancel and receive a full refund if the Advisor is notified in writing within five business days after signing the Agreement, or at any time before the Advisor commences work on the plan. After the initial fee is paid, either party may terminate this Agreement upon thirty (30) days written notice to the other by certified or registered mail or email. Upon termination, Honeycutt Financial Services, LLC agrees to return all documents belonging to the Client within thirty (30) days. Similarly, the Client agrees to pay all fees owed to the Advisor within thirty (30) days. The fee due is for work completed on the case to the day the written termination notice is received or 50% of the fee, whichever is greater.

After delivery of a financial plan, future face-to-face meetings may be scheduled as necessary for up to one month. Follow-on implementation work is included, but is limited to the 3 months following the presentation of the completed plan. Any additional work after plan presentation is billed at $150.00/hr.

Advisory Service Agreement

Clients may choose to have HONEYCUTT FINANCIAL, LLC manage their assets and obtain ongoing in-depth advice and life planning. All aspects of the client's financial affairs are reviewed, including the possibility of providing support to parents or disabled children. Realistic and measurable goals are set and objectives to reach those goals are defined. As goals and objectives change over time, suggestions are made and implemented on an ongoing basis. There is an establishment fee for setting up the account, usually .05% of assets placed under management, which covers the initial financial planning, asset allocation, and implementation of recommendations in the planning process.

The scope of work and fee for an Advisory Service Agreement is provided to the client in writing prior to the start of the relationship. An Advisory Service Agreement includes: cash flow management; insurance review; investment management (including performance reporting); education planning; retirement planning; estate planning; tax planning, as well as the implementation of recommendations within each area. Quarterly performance reports and rebalancing are included.

The annual Advisory Service Agreement fee is based on a percentage of the investable assets according to the following schedule:

_1.5%_ up to $300,000;

_1.4%_ from 300,001 to 500,000)

_1.2%_from 500,001 to 1,000,000

_1.0%_ from $1,000,001 to 2,000,000.

_0. 7%_from 2,000,001 to 4,000,000.

The fees are bracketed, not tiered. (For instance, if an account is a 1,100,000 account, it will be billed 1 % on the entire balance; a tiered fee schedule would bill the first 1,000,000 at the 1.2%, and the next 100,000 at the1.0%)

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The minimum annual fee is $3,000.00 and is *NOT NEGOTIABLE*. Current client relationships may exist where the fees are higher or lower than the fee schedule above.

Although the Advisory Service Agreement is an ongoing agreement and constant adjustments are required, the length of service to the client is at the client's discretion. The client or the investment manager may terminate an Agreement by written notice to the other party. At termination, fees will be billed on a pro rata basis for the portion of the quarter completed. The portfolio value at the completion of the prior full billing quarter is used as the basis for the fee computation, adjusted for the number of days during the billing quarter prior to termination. Advisory Service fees are billed in arrears, on a quarterly basis.

Retainer Agreement

In some circumstances, a *Retainer Agreement* is executed in lieu of an *Advisory Service Agreement* when it is more appropriate to work on a fixed-fee basis, or the client chose's this type of agreement. The annual fee for a *Retainer Agreement* is based on the value of assets under management and the scope of ongoing planning and is billed quarterly in arrears. The Retainer Agreement is reviewed annually and can be adjusted up or down depending on the value of assets and the anticipated time involved in ongoing planning. Fees will not change without proper notice and approval from the client. Quarterly performance reporting and rebalancing is provided.

The length of service to the client is at the client's discretion. The client or the investment manager may terminate an Agreement by written notice to the other party. At termination, fees will be billed on a pro rata basis for the portion of the quarter completed. The portfolio value at the completion of the prior full billing quarter is used as the basis for the fee computation, adjusted for the number of days during the billing quarter prior to termination. Retainer Agreement Service fees are billed in arrears, on a quarterly basis.

Investment Management Agreement

An *Investment Management Agreement* may be executed after a financial plan has been provided, and where financial planning is not provided as part of the ongoing relationship. The fees are:

_1.0% up to 500,000

_0.9%_from 500,001 to 1,000,000

_0.8%_ from $1,000,001 to 2,000,000.

_0.7%_from 2,000,001 to 4,000,000.

The fees are bracketed, not tiered. (For instance, if an account is a 600,000 account, it will be billed .09% on the entire balance; a tiered fee schedule would bill the first 500,000 at the 1%, and the next 100,000 at the .9%)

A fee of .5% of the funds placed under management is charged to establish the account and provide the asset allocation and implement the portfolio changes.

Quarterly performance reports and rebalancing are included. Changes in the asset allocation necessitated by client situation changes will be considered additional financial planning. Any additional financial planning is billed at $150.00 per hour.

Investment Management Agreement is an ongoing agreement and constant adjustments are required. The length of service to the client is at the client's discretion. The client or the investment manager may terminate an Agreement by written notice to the other party. At termination, fees will be billed on a pro rata basis for the portion of the quarter completed. The portfolio value at the completion of the prior full billing quarter is used as the basis for the fee computation, adjusted for the number of days during the billing quarter prior to termination. Investment Management Service fees are billed in arrears, on a quarterly basis.

The minimum annual fee for an *Investment Management Agreement* is $500.00 and is *not negotiable*.

Tax Preparation Agreement

Tax planning is included in the *Advisory Service Agreement* or *Retainer Agreement* scope of work and taken into consideration for Financial Plans.

Honeycutt Financial, LLC is not a licensed tax preparer and refers clients to qualified accountants for filing of tax returns.

Hourly Planning Engagements

HONEYCUTT FINANCIAL, LLC provides hourly planning services for clients who need advice on a limited scope of work. The hourly rate for limited scope engagements is $150.00. An estimate of the cost is provided, and an agreement signed, before any work is initiated. One half of the expected cost is due at signing, the balance at delivery of the completed work. The client may cancel an agreement before work begins and request a full refund, or receive a partial refund if work has already started. A partial refund will be based on the actual hours completed at $150.00 per hour.

Asset Management

Assets are invested in mutual funds, exchange-traded funds, and individual stocks or bonds, depending on the size of the account and the asset allocation of the client. Fund companies charge each fund shareholder an investment management fee that is disclosed in the fund prospectus. Discount brokerages may charge a transaction fee for the purchase of some funds.

Stocks and bonds may be purchased or sold through a brokerage account when appropriate. The brokerage firm charges a fee for stock and bond trades. HONEYCUTT FINANCIAL, LLC does not receive any compensation, in any form, from fund companies.

Investments may also include: equities (stocks), corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities (variable life insurance, variable annuities, and mutual funds shares), U. S. government securities, and interests in publicly traded partnerships, REITs, and alternative investment mutual funds.

Honeycutt Financial, LLC does not utilize margin calls, options, or derivatives.

Termination of Agreement

A Client may terminate any of the aforementioned agreements at any time by notifying HONEYCUTT FINANCIAL, LLC in writing and paying the rate for the time spent on the investment advisory engagement prior to notification of termination. If the client made an advance payment, HONEYCUTT FINANCIAL, LLC will refund any unearned portion of the advance payment.

HONEYCUTT FINANCIAL, LLC may terminate any of the aforementioned agreements at any time by notifying the client in writing. If the client made an advance payment, HONEYCUTT FINANCIAL, LLC will refund any unearned portion of the advance payment.

Fees and Compensation

Description

HONEYCUTT FINANCIAL, LLC bases its fees on a percentage of assets under management, hourly charges, or fixed fees. All fees are disclosed, and a written agreement is signed, before any work is begun.

Some *Retainer Agreements* may be priced based on the complexity of work, especially when asset management is not the most significant part of the relationship.

Financial plans are priced according to the degree of complexity associated with the client's situation and the expected hours required to complete.

Fees are *NEGOTIABLE in limited circumstances and dependent on the scope of the engagement*.

Fee Billing

Investment management fees are billed quarterly, in *ARREARS*, meaning that we invoice you *AFTER* the three-month billing period has *ENDED*. Payment in full is expected upon invoice presentation. Fees are usually deducted from a designated client account to facilitate billing. The client must consent in advance to direct debiting of their investment account. Clients may choose to be billed directly, in which case the bill is due within 10 days.

Fees for financial plans are billed 50% in advance, with the balance due upon delivery of the financial plan.

Other Fees

Custodians may charge transaction fees on purchases or sales of certain mutual funds and exchange-traded funds. These transaction charges are usually small and incidental to the purchase or sale of a security. The selection of the security is more important than the nominal fee that the custodian charges to buy or sell the security. However, limiting these fees is a priority in the management of assets.

HONEYCUTT FINANCIAL, LLC, in its sole discretion, may waive its minimum fee and/or charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.).

New Advisory Service Agreement fees are calculated on a formula basis and adjusted for complexity of individual situations. *The formula is based on gross assets and other financial considerations.*

Expense Ratios

Mutual funds generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.5% for their services. These fees are in addition to the fees paid by you to HONEYCUTT FINANCIAL, LLC.

Performance figures quoted by mutual fund companies in various publications are after their fees have been deducted.

Past Due Accounts and Termination of Agreement

HONEYCUTT FINANCIAL, LLC reserves the right to stop work on any account that is more than 15 days overdue. In addition, HONEYCUTT FINANCIAL, LLC reserves the right to terminate any financial planning engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in HONEYCUTT FINANCIAL, LLC's judgment, to providing proper financial advice. Any unused portion of fees collected in advance will be refunded within 15 days.

Performance-Based Fees

Sharing of Capital Gains

Fees are not based on a share of the capital gains or capital appreciation of managed securities.

HONEYCUTT FINANCIAL, LLC does not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

Types of Clients

Description

HONEYCUTT FINANCIAL, LLC generally provides investment advice to individuals, trusts, estates, or charitable organizations, corporations and business entities.

Client relationships vary in scope and length of service.

Account Minimums

The minimum account size is $100,000 of assets under management, which equates to an annual fee of $ 1,000.

When an account falls below $50,000 in value, the minimum annual fee of $500 is charged. Depending upon circumstances, HONEYCUTT FINANCIAL, LLC will sign an *Hourly Agreement* with the client if assets have diminished significantly below $50,000.

HONEYCUTT FINANCIAL, LLC has the discretion to waive the account minimum. Accounts of less than $100,000 may be set up when the client and the advisor anticipate the client will add additional funds to the accounts bringing the total to $100,000 within a reasonable time. Other exceptions will apply to employees of HONEYCUTT FINANCIAL, LLC, relatives of employees or relatives of existing clients.

Clients with assets below the minimum account size may pay a higher percentage rate on their annual fees than the fees paid by clients with greater assets under management.

Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

Security analysis methods may include fundamental analysis, technical analysis, and cyclical analysis. All methods of analysis are historical in perspective, and do not guarantee future performance. All methods of analysis involve risk and should not be construed as a guarantee of future performance.

The main sources of information include financial newspapers and magazines, research materials prepared by others, corporate rating services, annual reports, prospectuses, filings with the Securities and Exchange Commission, and company press releases.

Other sources of information that HONEYCUTT FINANCIAL, LLC may use include Morningstar Office, Advisor Intelligence, and the World Wide Web. The methods of analysis do not guarantee a return, or imply any type of performance guarantee in regards to individual portfolio's.

Investment Strategies

The primary investment strategy used on client accounts is strategic asset allocation utilizing a core and satellite approach. This means that we use passively-managed index and exchange-traded funds as the core investments, and then add actively-managed funds or individual stocks and bonds where there are greater opportunities to make a difference. Portfolios are globally diversified to control the risk associated with traditional markets, but in no way guarantee the performance of the portfolio.

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time. Each client executes an Investment Policy Statement that documents their objectives and their desired investment strategy.

Other strategies may include long-term purchases, short-term purchases, trading, short sales, and a tactical approach to implementing an investment strategy.

Risk of Loss

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- Interest-rate Risk: Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- Market Risk: The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- Inflation Risk: When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- Currency Risk: Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- Reinvestment Risk: This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- Business Risk: These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- Liquidity Risk: Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- Financial Risk: Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Disciplinary Information

Legal and Disciplinary

The firm and its employees have not been involved in legal or disciplinary events related to past or present investment clients.

Other Financial Industry Activities and Affiliations

Financial Industry Activities

HONEYCUTT FINANCIAL, LLC is a Registered Investment Advisor in the State of Virginia. The principle, Vivian M Honeycutt CFP® is a member of NAPFA, (National Association of Personal Fee Only Advisors) as well as the Certified Financial Planners (CFP®).

Affiliations

HONEYCUTT FINANCIAL, LLC is a Registered Investment Advisory firm and is not affiliated or controlled by any broker dealer or related person in any organization.

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

Code of Ethics

Honeycutt Financial, LLC has adopted the following Code of Ethics:

The advisor shall exercise his/her best efforts to act in good faith and in the best interests of the client. The advisor shall provide written disclosure to the client prior to the engagement of the advisor, and thereafter throughout the term of the engagement, of any conflict of interest which will or reasonably may compromise the impartiality or independence of the advisor. The advisor, or any party in which the advisor has a financial interest, does not receive any compensation or other remuneration that is contingent on any client's purchase or sale of a financial product. The advisor does not receive a fee or other compensation from another party based on the referral of a client or the client's business. (NAPFA Fiduciary Oath) Code of Ethics available on request.

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Participation or Interest in Client Transactions

HONEYCUTT FINANCIAL, LLC and its employees may buy or sell securities that are also held by clients. Employees may not trade their own securities ahead of client trades.

Personal Trading

The Chief Compliance Officer of HONEYCUTT FINANCIAL, LLC is Vivian M Honeycutt, CFP®. She also trades for her own account in some of the same securities she recommends to clients. This personal trading does not affect the markets, and clients of the firm receive preferential treatment. Since trades are small mutual fund trades, stock, bond or exchange-traded fund trades, the trades do not affect the securities markets.

Brokerage Practices

Selecting Brokerage Firms

HONEYCUTT FINANCIAL, LLC does not have any affiliation with product sales firms. Specific custodian recommendations are made to Clients based on their need for such services. HONEYCUTT FINANCIAL, LLC recommends custodians based on the proven integrity and financial responsibility of the firm, as well as the universe of funds and ETF's that can be utilized with low or no transaction fees, and the best execution of orders at reasonable commission rates.

HONEYCUTT FINANCIAL, LLC recommends discount brokerage firms and trust companies (qualified custodians), such as TD Ameritrade. The use of TD Ameritrade is not a requirement of managing an account; and some clients are managed through Vanguard, however the client's custodian must allow limited power of attorney for the advisor to be able to manage accounts on a discretionary basis. Accounts are managed on a discretionary basis, directed brokerage is generally not accepted since it can interfere with the objectives that the advisor is responsible for, and increase the cost to the portfolio.

Advisor will present a fee comparison between brokerage custodians should the client not be using a discount broker to keep fees to a minimum.

HONEYCUTT FINANCIAL, LLC *DOES NOT* receive fees or commissions from any of these arrangements.

Best Execution And Directed Brokerage

Trading fees charged by the custodians is also reviewed on a periodic basis. Honeycutt Financial does not receive any portion of the trading fees. Honeycutt Financial requires discretionary authority to initiate trades and rebalancing. Client directed brokerage is not allowed. If using client directed brokerage, best execution may not be possible and may cost the client more money. Not all advisors require their clients to direct brokerage.

Clients using a brokerage that does not allow limited agent agreements will be put on an hourly basis for portfolio review, at the responsibility of the client.

Honeycutt Financial leaves it up to the client to choose a broker dealer. However, TD Ameritrade Institutional is often recommended to clients since Honeycutt Financial has a platform available through them to do online trading, transaction downloads, billing, and research. These services offered through TD Ameritrade may present a conflict of interest when recommending clients to move accounts to TD Ameritrade. Vanguard is also recommended for the low cost mutual funds and ETF's.

Soft Dollars

Honeycutt Financial does not receive any soft dollar fees or credits to its knowledge.

Order Aggregation

Most trades are mutual funds or exchange-traded funds where trade aggregation does not garner any client benefit. Limit orders are used for all stock trades to try and facilitate the best value.

Review of Accounts

Periodic Reviews

Account reviews are performed quarterly by advisor, Vivian M Honeycutt, CFP ®. Clients who engage the Investment Management receive reports outlining market exposure, allocation, and account performance on a quarterly or semi-annual basis. Account reviews are performed more frequently when market conditions dictate. It is important that the client provided updated investment statements for accounts that are not kept at a custodian/broker dealer that is providing these to the Advisory on a regular basis. Statements can be sent by fax, mail, or encrypted e-mail.

Clients who only engage in Financial Planning contracts have their accounts reviewed as requested. It is recommended that Financial Planning clients who are not paying for Investment Management set up appointments in the office or by conference call to review their investment allocation at least twice a year. These accounts are held without discretionary trading so all transactions must be made with prior client permission after reviewing goals and objectives.

Review Triggers

Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's own situation.

Regular Reports

Account reviews are to consider the client's current security positions and the likelihood that the performance of each security will contribute to the investment objectives of the client.

Clients receive periodic communications on at least an annual basis. *Advisory Service Agreement* clients, *Investment Management* clients, and *Retainer Agreement* clients receive written quarterly updates. The quarterly updates include a portfolio performance statement with a breakdown of withdrawals, deposits and comparison to the S&P 500 Index.

Client Referrals and Other Compensation

Incoming Referrals

HONEYCUTT FINANCIAL, LLC has been fortunate to receive many client referrals over the years. The referrals came from current clients, estate planning attorneys, accountants, personal friends, and other similar sources. The firm does not compensate referring parties for these referrals.

Referrals Out

HONEYCUTT FINANCIAL, LLC does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

Other Compensation

There is no compensation from any source other than clients.

Custody

Account Statements

HONEYCUTT FINANCIAL, LLC does not custody client assets.

All assets are held at qualified custodians, which mean the custodians provide account statements directly to clients at their address of record at least quarterly.

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Performance Reports

Clients are urged to compare the account statements received directly from their custodians to the performance report statements provided by HONEYCUTT FINANCIAL, LLC.

Net Worth Statements

Clients are frequently provided net worth statements and net worth graphs that are generated from our client relationship management system. Net worth statements contain approximations of bank account balances provided by the client, as well as the value of land and hard-to-price real estate. The net worth statements are used for long-term financial planning where the exact values of assets are not material to the financial planning tasks.

Investment Discretion

Discretionary Authority for Trading

HONEYCUTT FINANCIAL, LLC has discretionary authority to manage securities accounts on behalf of clients who sign a Limited Power of Attorney.

HONEYCUTT FINANCIAL, LLC has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. An Investment Policy Statement serves as a guide in portfolio construction.

Clients concerns regarding the selling of assets of long standing are honored, and will be integrated into the portfolio design. If said assets will limit the performance of the portfolio, the client is advised in writing.

The client approves the custodian to be used and the commission rates paid to the custodian. HONEYCUTT FINANCIAL, LLC does not receive any portion of the transaction fees or commissions paid by the client to the custodian on any trades.

Discretionary trading authority facilitates placing trades in your accounts on your behalf so that we may promptly implement the investment policy that you have approved in writing.

Limited Power of Attorney

A limited power of attorney is a trading authorization for this purpose. You sign a limited power of attorney so that we may execute directly with the custodian any trades needed in your portfolio.

Voting Client Securities

Proxy Votes

HONEYCUTT FINANCIAL, LLC does not vote proxies on securities. Clients are expected to vote their own proxies.

When assistance on voting proxies is requested, HONEYCUTT FINANCIAL, LLC will provide recommendations to the Client. If a conflict of interest exists, it will be disclosed to the Client.

Financial Information

Financial Condition

HONEYCUTT FINANCIAL, LLC does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

A balance sheet is not required to be provided because HONEYCUTT FINANCIAL, LLC does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than $600 per client, and six months or more in advance.

Requirements for State-Registered Advisers

For a biography of Vivian Honeycutt CFP® please see Part 2B

Business Continuity Plan

General

HONEYCUTT FINANCIAL, LLC has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key people.

Disasters

The Business Continuity Plan covers natural disasters such as snow storms, hurricanes, tornados, and flooding. The Plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, T-1 communications line outage, Internet outage, railway accident and aircraft accident. Electronic files are backed up daily and archived offsite.

Alternate Offices

Alternate offices are identified to support ongoing operations in the event the main office is unavailable. It is our intention to contact all clients within five days of a disaster that dictates moving our office to an alternate location.

Loss of Key Personnel

HONEYCUTT FINANCIAL, LLC has signed a Business Continuation Agreement with another financial advisory firm to support HONEYCUTT FINANCIAL, LLC in the event of Vivian M Honeycutt's serious disability or death.

Information Security Program

Information Security

HONEYCUTT FINANCIAL, LLC maintains an information security program to reduce the risk that your personal and confidential information may be breached.

Privacy Notice

HONEYCUTT FINANCIAL, LLC is committed to maintaining the confidentiality, integrity and security of the personal information that is entrusted to us.

The categories of nonpublic information that we collect from you may include information about your personal finances, information about your health to the extent that it is needed for the financial planning process, information about transactions between you and third parties, and information from consumer reporting agencies, e.g., credit reports. We use this information to help you meet your personal financial goals.

With your permission, we disclose limited information to attorneys, accountants, and mortgage lenders with whom you have established a relationship. You may opt out from our sharing information with these nonaffiliated third parties by notifying us at any time by tele757-962-7522, mail, fax, vivian@honeycuttfinancial.com, or in person. With your permission, we share a limited amount of information about you with your brokerage firm in order to execute securities transactions on your behalf.

We maintain a secure office to ensure that your information is not placed at unreasonable risk. We employ a firewall barrier, secure data encryption techniques and authentication procedures in our computer environment.

We do not provide your personal information to mailing list vendors or solicitors. We require strict confidentiality in our agreements with unaffiliated third parties that require access to your personal information, including financial service companies, consultants, and auditors. Federal and state securities regulators may review our Company records and your personal records as permitted by law.

Personally identifiable information about you will be maintained while you are a client, and for the required period thereafter that records are required to be maintained by federal and state securities laws. After that time, information may be destroyed.

We will notify you in advance if our privacy policy is expected to change. We are required by law to deliver this *Privacy Notice* to you annually, in writing.

Brochure Appendix (Part 2A of Form ADV)

Wrap Fee Programs

Honeycutt Financial, LLC does not participate in any Wrap Fee Programs.

Brochure Supplement (Part 2B of Form ADV)

Education and Business Standards

HONEYCUTT FINANCIAL, LLC requires that advisors in its employ have a bachelor's degree and further coursework demonstrating knowledge of financial planning and tax planning. Examples of acceptable coursework include: an MBA, a CFP®, a CFA, a ChFC, JD, CTFA, EA or CPA. Additionally, advisors must have work experience that demonstrates their aptitude for financial planning and investment management.

Since HONEYCUTT FINANCIAL, LLC is a member of NAPFA, all advisers will adhere to the NAPFA code of Fiduciary and Fee Only.

Professional Certifications

Employees have earned certifications and credentials that are required to be explained in further detail.

The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (collectively, the "CFP® marks") are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. ("CFP Board").

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 62,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board's studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor's Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;

- Examination – Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances;

- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and

- Ethics – Agree to be bound by CFP Board's *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

NAPFA Membership

Standards of Membership and Affiliation
Applicants for any category of membership (Members) or affiliation (Affiliates) with NAPFA must meet the following standards to be considered for admission, and must continue to abide by such standards in order to maintain eligibility and good standing in NAPFA.

NAPFA's definition of a Fee-Only financial planner

NAPFA defines a Fee-Only financial advisor as one who is compensated solely by the client with neither the advisor nor any related party receiving compensation that is contingent on the purchase or sale of a financial product. Neither Members nor Affiliates may receive commissions, rebates, awards, finder's fees, bonuses or other forms of compensation from others as a result of a client's implementation of the individual's planning recommendations.

Prohibition of certain ownership interests and employment relationships
Neither a member nor an affiliate may own more than a 2% interest in, or be employed by, a financial services industry firm (see definition below) that receives transaction based compensation as prohibited by the NAPFA Standards of Membership and Affiliation.
A related party (see definition below) to a member or an affiliate may not own more than a 2% interest in a financial services industry firm that receives transaction based compensation as prohibited by NAPFA; and to whom the member or affiliate makes referrals or otherwise directs business.
Financial services industry firm includes any entity or individual that offers any type of financial service, e.g., securities broker or dealer, investment adviser, asset manager, investment company, banking institution, savings institution, trust company, mortgage

bank, credit union, savings and loan association, insurance broker or dealer or agent, real estate broker or agent, commodities broker or dealer or agent. Related party means a household member with whom a member or affiliate shares income or economic benefits.
If you have questions about prohibited relationships please contact the NAPFA Membership Manager
.

Compliance with NAPFA standards and industry regulations
Members and Affiliates

- must abide by the NAPFA Code of Ethics, Standards of Membership and Affiliation, Bylaws, resolutions adopted by the Board and all rules set forth in the NAPFA Policies and Procedures Manual.
- agree to comply with all federal and state statutes, rules, regulations, administrative and judicial rulings, and other authorities applicable to the provision of financial planning or advisory related services.
- agree that they will make all appropriate filings, amendments and renewals as appropriate to required filings with regulatory authorities. This shall include, but is not limited to, Form ADV. As a condition of NAPFA membership, any and all Form ADV filings may be reviewed by the Membership Task Force.

Prompt notification of certain disciplinary and legal events.
Members and Affiliates have a continuing obligation to inform the NAPFA National Office, in a prompt manner and in writing, of significant disciplinary and legal events. These events include, but are not limited to, the following:

- any disciplinary inquiry or proceeding initiated by any federal, state or local civil or criminal authority or regulatory body, including any inquiry or proceeding relating to the firm with which the individual is associated;
- any disciplinary inquiry or proceeding initiated by a credentialing or membership organization or authority to which the individual is subject, e.g., Certified Financial Planner Board of Standards, State Board of Public Accountancy;
- any bankruptcy, receivership, or other type of assignment or arrangement for the benefit or protection of creditors of the individual or any entity in which the individual holds an interest of 5% or more.

NAPFA reserves the right to decline membership if the applicant has failed to comply with statutes or regulations governing the profession, or has been unsuccessful in the defense of civil claims arising from professional services, unless such violations or claims are not material.

Vivian M Honeycutt, CFP®

Vivian M Honeycutt, born 1953, is Owner of Honeycutt Financial, LLC. She earned her CFP (R) designation in 2005, after completing her course of study through the American College for Financial Planning. She has been providing comprehensive financial planning and investment advice since 2002. She has held the NASD series 6 and 7, as well as the 63 and 65 licenses. Vivian Honeycutt started her career at Prudential Financial in May of 2000, after leaving Prudential in February of 2005, she started her FEE ONLY practice in November of 2005. Vivian is a member of NAPFA (National Association of Personal Financial Advisors) past member of FPA (Financial Planning Association 2005 thru 2009)

Disciplinary Information: None

Other Business Activities: None

Additional Compensation: None

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Bankruptcy Petition: None

Additional Compensation: None