

February 25, 2022

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**ELLIS FINANCIAL GROUP LLC**

*doing business as*



**V E S T E D**  
**P A R T N E R S**  
**A MULTI-FAMILY OFFICE**

This brochure provides information about the qualifications and business practices of Ellis Financial Group LLC. Being registered as a registered investment advisor does not imply a certain level of skill or training. If you have any questions about the contents of this brochure, please contact us at 540.765.2585. 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 Ellis Financial Group LLC (CRD #281862) is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2: Material Changes

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### Annual Update

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

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### Material Changes since the Last Update

There are no material changes in this brochure from the last annual updating amendment of Ellis Financial Group, LLC on 03/19/2021. Material changes relate to Ellis Financial Group, LLC's policies, practices or conflicts of interests only.

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### Full Brochure Available

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: 540.389.6060 or by email at: [David@Vestedmfo.com](mailto:David@Vestedmfo.com).

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## Item 4: Advisory Business

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### Firm Description

Ellis Financial Group LLC (EFG) doing business as Vested Partners: A Multi-Family Office. Ellis Financial Group LLC was founded in 2015 by David W. Ellis and began offering investment advisory services in 2015.

EFG is a fee-based investment management firm. The firm does not sell annuities, insurance, stocks, bonds, mutual funds, limited partnerships, or other commissioned products. The firm's managing member is affiliated with entities that sell insurance financial products.

EFG does not act as a custodian of client assets.

An evaluation of each client's initial situation is provided to the client, often in the form of a comprehensive financial plan, a modular financial plan, a net worth statement or risk analysis. 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.

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### Types of Advisory Services

EFG has seven general categories of services:

1. Full Services
2. Investment Services
3. Financial Planning Services
4. Foundational Services
5. Accommodation Services
6. Qualified Plan Services
7. ERISA Plan Services

### FULL SERVICES

For Full Service Clients, EFG provides a Comprehensive Financial Plan with an Investment Policy Statement and ongoing investment advisory services. EFG analyzes the Client's economic position, constraints and goals, and recommends financial strategies that sometimes include the repositioning of investments when EFG believes it is in the best interest of the Client. The minimum assets under management for a new Full-Service Client is normally \$500,000.

- a. Comprehensive Financial Plan: EFG studies and analyzes the Client's overall financial situation including income, cash flow and expenses, investments, insurance, estate planning, risk management, debts, liquidity, taxes, health, debt, family obligations, charity, gifting, retirement, values, goals, objectives, and time horizon. The analysis will result in a set of recommended strategies spanning the

above considerations (together with EFG's ranking of those strategies) allowing the Client to choose what to implement and with which advisory firm(s) or insurance broker(s).

- b. Investment Policy Statement: An Investment Policy Statement includes a review of current portfolio holdings, asset allocation and historical performance of the current investments or their corresponding asset classes. The analysis may also include a range of possible investment allocations based on the Client's risk tolerance and objectives as well as EFG's tactical asset class allocations resulting from analysis as described in Item 8 below.

Ongoing Investment Advisory Services: EFG will, on a continuing and/or periodic basis, advise the Client regarding the purchase and sale of securities. EFG is available to the Client for consultation concerning analyses performed by EFG and the investment portfolios that EFG manages on the Client's behalf. In addition, EFG provides:

- a. Access to the Client's personalized online portal which will aggregate assets from all custodians and vendors whenever possible and will provide detailed reporting on those assets, as well as access to the EFG "Financial Planning" portal.
- b. Access to the Client's Everplan™ site, referred to as the "Legacy Portal."
- c. Periodic reports regarding the investment portfolios that we manage on the Client's behalf, summarizing their values, transactions, and performance, annually and quarterly;
- d. Reviews of the performance of the Client's investment portfolios that we manage on the Client's behalf, at the Client's request;
- e. Seminars and other opportunities for the Client to learn about changes in the economy, tax law, investments, and other public information that might affect the Client's financial situation;
- f. Information on changes in tax regulations and other laws that can significantly impact the Client's financial position and investment strategy; and
- g. Consultation on specific issues not falling within the purview of the above.

Our advice, as part of this engagement, is not to be construed as legal, tax, or accounting advice. EFG does not prepare legal, tax, or accounting documents.

#### INVESTMENT SERVICES

Investment Services clients engage EFG to provide them with investment advice for select investment holdings only. EFG offers discretionary and non-discretionary direct asset management services to these clients. EFG will, on a continuing and/or periodic basis, advise the Client regarding the purchase and sale of securities. EFG will offer clients ongoing portfolio

management services through determining individual investment goals, time horizons, objectives, and risk tolerance. Investment strategies, investment selection, asset allocation, portfolio monitoring, and the overall investment program will be based on the above factors. The client will authorize EFG discretionary or non-discretionary authority to execute selected investment program transactions as stated within the Investment Advisory Agreement. There are no actuarial projections and no forward testing is done to determine whether the Client's allocations will accomplish the Client's life and financial goals.

EFG will collaborate with the Client to generate an Investment Policy Statement (IPS). An IPS includes a review of current portfolio holdings, asset allocation and historical performance of the current investments or their corresponding asset classes. The analysis may also include a range of possible investment allocations based on the Client's risk tolerance and objectives as well as EFG's tactical asset class allocations resulting from analysis as described in Item 8 below.

Ongoing Investment Advisory Services. EFG agrees to be available to the Client for consultation concerning the Client's investment portfolios:

- a. Access to the Client's personalized online portal which will aggregate assets from all custodians and vendors whenever possible and will provide detailed reporting on those assets.
- b. Access to the Client's Everplan™ site, referred to as the "Legacy Portal."
- c. Annual reviews of the performance of the Client's investment accounts that EFG assisted the Client in investing;
- d. Seminars and other opportunities for the Client to learn about changes in the economy, tax law, investments, and other public information that might affect the Client's financial situation; and
- e. EFG is not responsible for any legal or tax services.

#### FINANCIAL PLANNING SERVICES

Clients may seek only to have a financial plan and, optionally, access to the EFG online planning portal.

#### FOUNDATIONAL SERVICES

Foundational Services clients engage EFG to provide them with investment advice for select investment holdings only. EFG offers discretionary direct asset management services to these clients. EFG will, on a continuing and/or periodic basis, advise the Client regarding the purchase and sale of securities. EFG will offer clients ongoing portfolio management services through determining individual investment goals, time horizons, objectives, and risk tolerance. Investment strategies, investment selection, asset allocation, portfolio monitoring, and the overall investment program will be based on the above factors. The client will authorize EFG discretionary authority to execute selected investment program transactions as stated within the Investment Advisory Agreement. There are no actuarial projections and no forward testing is done to determine whether the Client's allocations will accomplish the Client's life and financial goals.

Foundational Services clients will complete a risk tolerance questionnaire and financial profile via the Internet. They will then be invested in a portfolio comprised of exchange traded funds in an asset allocation that is appropriate for their tolerance for risk and investment objectives as

determined by the questionnaire and profile.

Ongoing Investment Advisory Services. EFG agrees to be available to the Client for consultation concerning the Client's investment portfolios. Additional services may include:

- a. Access to the Client's online portal;
- b. Annual reviews of the performance of the Client's investment accounts that EFG assisted the Client in investing;
- c. Seminars and other opportunities for the Client to learn about changes in the economy, tax law, investments, and other public information that might affect the Client's financial situation; and
- d. EFG is not responsible for any legal or tax services.

#### ACCOMMODATION SERVICES

In rare cases EFG may have a Client who does not seek full-service, investment services, financial-planning services or foundational services. They may seek only to have a securities account as an accommodation with EFG, in which essential services are provided to the client upon request but investment advisory services are not ever provided.

#### QUALIFIED PLAN CONSULTING SERVICES

EFG offers qualified plan consulting services to individuals on an ongoing basis for either a flat fee or a percentage of their account value. EFG will meet with the client for information gathering. EFG will review the investment options available within the plan. EFG will make investment recommendations to the client based on the investment options available and the client's financial objectives either in person, by telephone or by other electronic means such as video conferencing.

#### ERISA PLAN SERVICES

EFG provides service to qualified and non-qualified retirement plans including 401(k) plans, 403(b) plans, pension and profit sharing plans, cash balance plans, and deferred compensation plans. EFG may act as either:

1. *Limited Scope 3(21) Fiduciary*. EFG typically acts as a limited scope 3(21) fiduciary that can advise, help, and assist plan sponsors with their investment decisions. The plan sponsor is still ultimately responsible for the decisions made in their plan, though using EFG can help mitigate that plan sponsor's liability by following a diligent process.
2. *3(38) Investment Manager*. EFG can also act as an ERISA 3(38) Investment Manager in which it has discretionary management and control of a given retirement plan's assets. EFG would then become solely responsible and liable for the selection, monitoring and replacement of the plan's investment options.

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#### Client Tailored Services and Client Imposed Restrictions

The goals and objectives for each client are documented in our client files. Investment strategies 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.

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## Wrap Fee Programs

EFG does not participate in wrap fee programs.

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## Client Assets Under Management

As of December 31<sup>st</sup>, 2021, EFG has \$55,928,675.00 in discretionary assets under management and \$18,107,656.00 in non-discretionary assets under management.

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## Item 5: Fees and Compensation

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### Method of Compensation and Fee Schedule

EFG offers advisory services for a percentage of assets under management, on an hourly basis or for a fixed fee.

#### FULL SERVICE FEES

1. Comprehensive Financial Plan: Flat fee of \$5,000 for assets under management up to \$3 million, \$3,000 for assets under management in excess of \$3 million, and waived altogether for assets under management in excess of \$5 million. EFG recommends updates of the Client's financial plan as the Client's life circumstances change and currently charges up to \$3,000 for that service.
2. Ongoing Investment Advisory Services:

Assets Under Management	Annual Fee	Monthly Fee
Less than \$1,000,000	1.50%	.1250%
\$1,000,000 and above	1.00%	.0833%

Accounts included for assets under management will include all monies or securities that EFG is providing advice on with respect to investment strategy, or reporting on valuations and performance, regardless of custody, including but not limited to stocks and bonds, mutual funds, variable annuities, IRA's, Thrift Savings Plans, 401K's, 403B's, 457's, deferred compensation plans, qualified and nonqualified stock options and restricted stock plans, cash balance plans, cash management options, mutual fund accounts, and any alternative investments or direct placements. Net Asset Value of the account shall be determined by EFG in good faith at the close of the New York Stock Exchange on the last business day of each quarter.

Assets under management do not include the Client's personal checking and savings accounts, personal residence or other rented properties, or any other assets excluded under the terms of the Client agreement with EFG.

The annual fee may be negotiable. Accounts within the same household may be combined for a reduced fee. When more than one generation of a family (parent, child, grandchild) desires to enter into a Financial Advisory and Planning Services Agreement with EFG, the primary family member can sign an EFG Financial Advisory and Planning Services Agreement for Full Services to be billed the standard 1.5% if assets total less than \$1,000,000 and 1% if assets total \$1,000,000 or more. The assets under management of EFG of any other member of a younger or older generation of the same family shall be billed at a fee of 1% on their assets, if EFG and the family members agree. The actual bill shall be paid from accounts as mutually agreed upon by



the family members and EFG.

Fees are billed monthly in arrears based on an average daily balance of the account for the last business day of the previous month. The calculation for the average daily balance is based on the formula  $(A/D) \times (F/P)$ .

A = the sum of the daily balances in the billing period

D = number of days in the billing period

F = annual management fee

P = number of billing periods per year (i.e. quarterly or monthly)

For example (based on monthly billing period): the first step taken using the average-daily- balance calculation method would be to take the average of the values of the client's account over the course of the entire month. Lower fees for comparable services may be available from other sources. Clients may terminate their account within five (5) business days of signing the Investment Advisory Agreement for a full refund. Clients may terminate advisory services with thirty (30) days written notice. For accounts closed mid-month, the client will be charged a pro rata fee for the days service were provided in the final month. Client shall be given thirty (30) days prior written notice of any increase in fees, and client will acknowledge, in writing, any agreement of increase in said fees.

#### INVESTMENT SERVICES FEE

1. Investment Policy Statement: Flat one-time fee of \$1,500.
2. Ongoing Investment Advisory Services: EFG offers discretionary and non-discretionary direct asset management services to advisory clients. Fees for these services will be based on a 1% annual fee in all accounts. There is no minimum annual fee.

The annual fee may be negotiable. Accounts within the same household may be combined for a reduced fee.

Fees are billed monthly in arrears based on an average daily balance of the account for the last business day of the previous quarter. The calculation for the average daily balance is based on the formula  $(A/D) \times (F/P)$ :

A = the sum of the daily balances in the billing period

D = number of days in the billing period

F = annual management fee

P = number of billing periods per year (i.e. quarterly or monthly)

For example (based on monthly billing period): the first step taken using the average-daily- balance calculation method would be to take the average of the values of the client's account over the course of the entire month. Lower fees for comparable services may be available from other sources. Clients may terminate their account within five (5) business days of signing the Investment Advisory Agreement for a full refund. Clients may terminate advisory services with thirty (30) days written notice. For accounts closed mid-month, the client will be charged a pro rata fee for the days service were provided in the final month. Client shall be given thirty (30) days prior written notice of any increase in fees, and client will acknowledge, in writing, any agreement of increase in said

fees.

### FINANCIAL PLANNING SERVICES FEES

Financial planning fees are priced according to the degree of complexity associated with the client's situation. Prior to the planning process the client is provided with an engagement letter outlining the scope of planning services to be provided and an estimated plan fee. The payments are received in two installments: one-half at the commencement of the planning process and the remainder upon delivery of the plan. Financial plans will be completed and delivered inside of ninety (90) days dependent upon timely client delivery of required documentation.

Fixed Financial Planning Services will be billed at a flat fee of \$7,000, with an optional annual maintenance fee of \$1,200 for clients desiring access to the EFG online planning portal.

Hourly Financial planning may also be provided under an hourly fee arrangement.

Client may cancel services within five (5) days of signing the advisory agreement for a full refund. If client cancels after the five (5) business days, EFG is due a pro-rata fee based on the amount of work completed. Any unearned fees shall be refunded to the client, based on the pro-rata amount of work completed.

### FOUNDATIONAL SERVICES FEES

1. Investment Policy Statement: Flat one-time fee of \$500.
2. Ongoing Investment Advisory Services: EFG offers discretionary and non-discretionary direct asset management services to advisory clients. Fees for these services will be based on a 1% annual fee in all accounts.

Ongoing Investment Advisory Services: EFG offers discretionary direct asset management services to foundation services clients. Fees for these services will be based on a 1% annual fee in all accounts. There will be no minimum fee under this agreement. Fees for foundational services are non-negotiable.

Fees are billed monthly in arrears based on an average daily balance of the account for the last business day of the previous quarter. The calculation for the average daily balance is based on the formula  $(A/D) \times (F/P)$ :

A = the sum of the daily balances in the billing period

D = number of days in the billing period

F = annual management fee

P = number of billing periods per year (i.e. quarterly or monthly)

For example (based on monthly billing period): the first step taken using the average-daily-balance calculation method would be to take the average of the values of the client's account over the course of the entire month. Lower fees for comparable services may be available from other sources. Clients may terminate their account within five (5) business days of signing the Investment Advisory Agreement for a full refund. Clients may terminate advisory services with thirty (30) days written notice. For accounts closed mid-month, the client will be charged a pro rata fee for the days service was not provided in the final month. Client shall be given thirty (30) days prior written notice of any increase in fees, and client will acknowledge, in writing, any agreement of increase in said

fees.

#### ACCOMODATION SERVICES

There will be no charge for accommodation services as no services are provided.

#### QUALIFIED PLAN CONSULTING SERVICES

EFG offers one-time qualified plan consulting services to individuals for a negotiable flat fee of \$500 - \$1,500 based on the complexity of the case for the consultation. The payments are received in two installments: one-half at the commencement of the planning process and the remainder upon delivery of the completed consultation. Services are completed and delivered inside of sixty (60) days dependent upon timely client delivery of required documentation. Client may cancel within five (5) business days of signing Agreement with no obligation. If the client cancels after five (5) business days, EFG is due a pro-rata fee based on the amount of work completed.

Alternatively, EFG will offer ongoing consultation services based on the market value of the assets. Fees for these services will be 1% annualized on all assets held in the qualified plan. There is no minimum fee. The fees are charged monthly in arrears.

The services provided by EFG for this compensation are described in detail in Schedule A of the Qualified Plan Agreement.

#### ERISA PLAN SERVICES FEES

The annual fees are based on the market value of the Included Assets as follows:

Assets Under Management	Annual Fee	Monthly Fee
Less than \$1,000,000	1.50%	.1250%
\$1,000,000 and above	1.00%	.0833%

The fee is charged in arrears and the initial fee will be based on an average of the daily balance in the client's account throughout the billing period is used to determine the market value of the assets upon which the advisory fee is based. For services started any time other than the first day of a month, the fee will be prorated based on the number of days remaining in the initial fee period.

The services provided by EFG for this compensation are described in detail in Schedule A of the ERISA Plan Agreement. The Plan is obligated to pay the fees; however the Plan Sponsor may elect to pay the fees. EFG does not reasonably expect to receive any additional compensation, directly or indirectly, for its services under this Agreement. If additional compensation is received, EFG will disclose this compensation, the services rendered, and the payer of compensation. EFG will offset the compensation against the fees agreed upon under this Agreement.

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#### Client Payment of Fees

Investment management fees are billed monthly, in arrears, meaning that we invoice you at the end of the monthly billing period. 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.

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### Additional Client Fees Charged

Custodians may charge transaction fees on purchases or sales of certain mutual funds, equities and exchange-traded funds. These charges may include mutual fund transactions fees, postage and handling and miscellaneous fees (fee levied to recover costs associated with fees assessed by self-regulatory organizations).

EFG, 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.).

For more details on the brokerage practices, see Item 12 of this brochure.

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### Prepayment of Client Fees

EFG charges financial planning fees and asset management fees in arrears.

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### External Compensation for the Sale of Securities to Clients

EFG does not receive any external compensation for the sale of securities to clients, nor do any of the investment advisor representatives of EFG.

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## Item 6: Performance-Based Fees and Side-by-Side Management

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### Sharing of Capital Gains

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

EFG does not use a performance-based fee structure because of the 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.

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## Item 7: Types of Clients

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### Description

EFG generally provides investment advice to individuals, high net worth individuals and small businesses. Client relationships vary in scope and length of service.

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### Account Minimums

EFG does not require a minimum to open an account.

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

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### Methods of Analysis

Security analysis methods may include momentum based technical analysis. Investing in securities involves risk of loss that clients should be prepared to bear. Past performance is not a guarantee of future returns.

Momentum based technical analysis involves evaluating securities based on past prices and volume. Momentum is the rate of acceleration of a security's price or volume. The idea of momentum in securities is that prices are more likely to keep moving in the same direction than

to change directions. EFG evaluates momentum by comparing investments or asset classes on a relative strength basis using point-and-figure (P&F) charting. Relative strength measures the performance of one security in comparison to another, i.e. Microsoft compared to the S&P 500 or the U.S. Dollar relative to the Euro. P&F, first espoused by Charles Dow and others over 100 years ago, is a system of charting in which the positive price movement of a security or asset class is indicated by a column of X's, and negative performance is indicated by a column of O's. The intent of P&F is to identify points of support and resistance in prices, as well as longer term upward or downward trends.

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

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### Investment Strategy

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 or Risk Tolerance that documents their objectives and their desired investment strategy.

Other strategies may include long-term purchases, short-term purchases, trading, and option writing (including covered options, uncovered options or spreading strategies).

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### Security Specific Material Risks

All investment programs have certain risks that are borne by the investor. Fundamental analysis may involve interest rate risk, market risk, business risk, and financial risk. Risks involved in technical analysis are inflation risk, reinvestment risk, and market risk.

Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks and should discuss these risks with EFG:

- *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 buy more than a dollar next year because purchasing power is eroding at the rate of inflation.
- *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.

- *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.
- *Long-term purchases:* Long-term investments are those vehicles purchased with the intention of being held for more than one year. Typically, the expectation of the investment is to increase in value so that it can eventually be sold for a profit. In addition, there may be an expectation for the investment to provide income. One of the biggest risks associated with long-term investments is volatility, the fluctuations in the financial markets that can cause investments to lose value.
- *Short-term purchases:* Short-term investments are typically held for one year or less. Generally, there is not a high expectation for a return or an increase in value. Typically, short-term investments are purchased for the relatively greater degree of principal protection they are designed to provide. Short-term investment vehicles may be subject to purchasing power risk — the risk that your investment's return will not keep up with inflation.
- *Trading risk:* Investing involves risk, including possible loss of principal. There is no assurance that the investment objective of any fund or investment will be achieved.
- *Options Trading:* The risks involved with trading options are that they are very time sensitive investments. An options contract is generally a few months. The buyer of an option could lose his or her entire investment even with a correct prediction about the direction and magnitude of a particular price change if the price change does not occur in the relevant time period (i.e., before the option expires). Additionally, options are less tangible than some other investments. An option is a "book-entry" only investment without a paper certificate of ownership.
- *REIT Risk:* To the extent that a client invests in REITs, it is subject to risks generally associated with investing in real estate, such as (i) possible declines in the value of real estate, (ii) adverse general and local economic conditions, (iii) possible lack of availability of mortgage funds, (iv) changes in interest rates, and (v) environmental problems. In addition, REITs are subject to certain other risks related specifically to their structure and focus such as: dependency upon management skills; limited diversification; the risks of locating and managing financing for projects; heavy cash flow dependency; possible default by borrowers; the costs and potential losses of self-liquidation of one or more holdings; the possibility of failing to maintain exemptions from securities registration; and, in many cases, relatively small market capitalization, which may result in less market liquidity and greater price volatility.
- *Equity Linked CD Risk:* Penalties may apply to early withdrawals. Fair market value of CD's when sold in the secondary market may be worth more or less than face value. May or may not be FDIC insured. Returns are not based solely on market returns, as there may be a maximum rate of interest the CD will earn. May be taxed on income earned, but interest isn't accrued (received) until the CD matures. Many CDs may have "call" features, allowing the bank to close the contract early with no penalty, paying back principle and any accrued interest.
- *Structured Notes Risk:* The risks involved with using structured notes are credit risk of the issuing investment bank, illiquidity, and there is a risk to the pricing accuracy as most structured notes do not trade after issuance.

- *Hedge Funds Risk:* The risks involved with hedge funds are that they may invest in unregistered investments that are not subject to the SEC's registration and disclosure requirements. They may have risky investment strategies, which may include speculative investment and trading strategies. Both unregistered and registered hedge funds are illiquid investments and are subject to restrictions on transferability and resale. The tax structure of investments in hedge funds may be complex.
- *Private Equity/Placement Risk:* Because offerings are exempt from registration requirements, no regulator has reviewed the offerings to make sure the risks associated with the investment and all material facts about the entity raising money are adequately disclosed. Securities offered through private placements are generally illiquid, meaning there are limited opportunities to resell the security. Risk of the underlying investment may be significantly higher than publicly traded investments.

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## Item 9: Disciplinary Information

### Criminal or Civil Actions

The firm and its management have not been involved in any criminal or civil action for the past ten years.

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### Administrative Enforcement Proceedings

The firm and its management have not been involved in administrative enforcement proceedings.

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### Self-Regulatory Organization Enforcement Proceedings

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

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## Item 10: Other Financial Industry Activities and Affiliations

### Broker-Dealer or Representative Registration

Neither EFG nor any of its employees are registered representatives of a broker-dealer.

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### Futures or Commodity Registration

Neither EFG nor its employees are registered or has an application pending to register as a futures commission merchant, commodity pool operator, or a commodity trading advisor.

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### Material Relationships Maintained by this Advisory Business and Conflicts of Interest

Managing Member David Ellis has a financial industry affiliated business as an insurance agent and owner of Ellis Insurance Services, LLC, a licensed insurance agency. Approximately 20% of Mr. Ellis' time is spent in this practice. From time to time, he will offer clients advice or products from those activities.

This practice represents a conflict of interest because it gives Mr. Ellis an incentive to recommend products based on the commission amount received. This conflict is mitigated by disclosures, procedures, and the firm's Fiduciary obligation to place the interests of the client first and clients are not required to purchase any products. Clients have the option to purchase these products

through another insurance agent or agency of their choosing.

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

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### Code of Ethics Description

The employees of EFG have committed to a Code of Ethics (“Code”). The purpose of our Code is to set forth standards of conduct expected of EFG employees and addresses conflicts that may arise. The Code defines acceptable behavior for employees of EFG. The Code reflects EFG and its supervised persons’ responsibility to act in the best interest of their client.

Specifically, the Code addresses the buying and selling of securities by employees for their personal accounts and the mitigation of any conflict of interest with our clients. We do not allow any employees to use non-public material information for their personal profit or to use internal research for their personal benefit in conflict with the benefit to our clients.

EFG’s policy prohibits any person from acting upon or otherwise misusing non-public or inside information. No advisory representative or other employee, officer or director of EFG may recommend any transaction in a security or its derivative to advisory clients or engage in personal securities transactions for a security or its derivatives if the advisory representative possesses material, non-public information regarding the security.

EFG’s Code is based on the guiding principle that the interests of the client are our top priority. EFG’s officers, directors, advisors, and other employees have a fiduciary duty to our clients and must diligently perform that duty to maintain the complete trust and confidence of our clients. When a conflict arises, it is our obligation to put the client’s interests over the interests of either employees or the company.

The Code applies to “access” persons. “Access” persons are employees who have access to non-public information regarding any clients’ purchase or sale of securities, or non-public information regarding the portfolio holdings of any reportable fund, who are involved in making securities recommendations to clients, or who have access to such recommendations that are non-public.

The firm will provide a copy of the Code of Ethics to any client or prospective client upon request.

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### Investment Recommendations Involving a Material Financial Interest and Conflict of Interest

EFG and its employees do not recommend to clients securities in which we have a material financial interest.

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### Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest

EFG 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.

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### Client Securities Recommendations or Trades and Concurrent Advisory Firm Securities Transactions and Conflicts of Interest



EFG does not maintain a firm proprietary trading account and does not have a material financial interest in any securities being recommended and therefore no conflicts of interest exist. However, employees may buy or sell securities at the same time they buy or sell securities for clients. In order to mitigate conflicts of interest such as front running, employees are required to disclose all reportable securities transactions as well as provide EFG with copies of their brokerage statements.

The Chief Compliance Officer of EFG is David Ellis. He reviews all employee trades each quarter. The personal trading reviews ensure that the personal trading of employees does not affect the markets and that clients of the firm receive preferential treatment over employee transactions.

## Item 12: Brokerage Practices

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### Factors Used to Select Broker-Dealers for Client Transactions

EFG may recommend the use of a particular broker-dealer such as TD Ameritrade Institutional, a Division of TD Ameritrade, Inc., Member FINRA/SIPC, or may utilize a broker-dealer of the client's choosing. EFG will select appropriate brokers based on a number of factors including but not limited to their relatively low transaction fees and reporting ability. EFG relies on its broker to provide its execution services at the best prices available. Lower fees for comparable services may be available from other sources. Clients pay for any and all custodial fees in addition to the advisory fee charged by EFG.

EFG participates in the TD Ameritrade Institutional program. TD Ameritrade, Inc. ("TD Ameritrade") is an independent SEC-registered broker-dealer and is not affiliated with EFG. TD Ameritrade offers to independent investment Advisors services which include custody of securities, trade execution, clearance and settlement of transactions. EFG receives some benefits from TD Ameritrade through its participation in the program. (Please see the disclosure under Item 14). There is no direct link between EFG's participation in the program and the investment advice it gives to clients, although EFG receives economic benefits through its participation in the program.

- *Directed Brokerage*

In circumstances where a client directs EFG to use a certain broker-dealer, EFG still has a fiduciary duty to its clients. The following may apply with Directed Brokerage: EFG may be unable to negotiate commissions or obtain volume discounts, so there may be disparities in commission charges among clients, as well as conflicts of interest arising from brokerage firm referrals.

- *Best Execution*

Investment advisors who manage or supervise client portfolios on a discretionary basis have a fiduciary obligation of best execution. EFG reviews the execution of trades at each custodian each quarter.

- *Soft Dollar Arrangements*

The Securities and Exchange Commission defines soft dollar practices as arrangements under which products or services other than execution services are obtained by EFG from or through a broker-dealer in exchange for directing client transactions to the broker-dealer. As permitted by Section 28(e) of the Securities Exchange Act of 1934, EFG receives economic benefits as a result of commissions generated from securities transactions by the

broker-dealer from the accounts of EFG. These benefits include both proprietary research from the broker and other research written by third parties.

A conflict of interest exists when EFG receives soft dollars. This conflict is mitigated by disclosures, procedures, and the firm's Fiduciary obligation to act in the best interest of its clients and the services received are beneficial to all clients.

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#### Aggregating Securities Transactions for Client Accounts

EFG is authorized in its discretion to aggregate purchases and sales and other transactions made for the account with purchases and sales and transactions in the same securities for other Clients of EFG. All clients participating in the aggregated order shall receive an average share price with all other transaction costs shared on a pro-rated basis.

### Item 13: Review of Accounts

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#### Schedule for Periodic Review of Client Accounts or Financial Plans and Advisory Persons Involved

Client reviews are suggested and performed by EFG on a periodic basis, typically annually. Clients may request other reviews as their personal circumstances dictate. The suggestion for review is triggered by the firm's annual review letter, economic and life changes for the Client, or by Client request. Reviews include examinations of the Client's financial situation and are conducted by David W. Ellis or an investment advisor representative of the firm and may be conducted in person, by telephone or by other electronic means such as video conferencing.

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#### Review of Client Accounts on Non-Periodic Basis

Other conditions that may trigger a review of clients' accounts are changes in the tax laws, new investment information and changes in a client's own situation. EFG provides Clients with on-line access to certain information regarding their investment account records as provided and maintained by various investment providers. Clients receive quarterly reports from EFG and/or associated companies involved with investing EFG Client assets. Reports generated by EFG are based on information gathered from both the investment sources and the Clients.

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#### Content of Client Provided Reports and Frequency

Clients receive written account statements from the custodian no less than quarterly for managed accounts. Clients receive confirmations of each transaction in accounts from the Custodian and an additional statement during any month in which a transaction occurs. EFG will provide clients additional reports annually.

### Item 14: Client Referrals and Other Compensation

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#### Economic Benefits Provided to the Advisory Firm from External Sources and Conflicts of Interest

As disclosed under Item 12 above, EFG participates in TD Ameritrade's institutional customer program and EFG may recommend TD Ameritrade to Clients for custody and brokerage services. There is no direct link between EFG's participation in the program and the investment advice it gives to its Clients, although EFG receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services;

access to a trading desk serving EFG participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to EFG by third party vendors.

TD Ameritrade may also have paid for business consulting and professional services received by EFG's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit EFG but may not benefit its Client accounts. These products or services may assist EFG in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help EFG manage and further develop its business enterprise. The benefits received by EFG or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, EFG endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by EFG or its related persons in and of itself creates a conflict of interest and may indirectly influence EFG's choice of TD Ameritrade for custody and brokerage services.

EFG also receives from TD Ameritrade certain additional economic benefits ("Additional Services") that may or may not be offered to any other independent investment Advisors participating in the program. TD Ameritrade provides the Additional Services to EFG in its sole discretion and at its own expense, and EFG does not pay any fees to TD Ameritrade for the Additional Services. EFG and TD Ameritrade have entered into a separate agreement ("Additional Services Addendum") to govern the terms of the provision of the Additional Services.

EFG's receipt of Additional Services raises potential conflicts of interest. In providing Additional Services to EFG, TD Ameritrade most likely considers the amount and profitability to TD Ameritrade of the assets in, and trades placed for, EFG's Client accounts maintained with TD Ameritrade. TD Ameritrade has the right to terminate the Additional Services Addendum with EFG, in its sole discretion, provided certain conditions are met. Consequently, in order to continue to obtain the Additional Services from TD Ameritrade, EFG may have an incentive to recommend to its Clients that the assets under management by EFG be held in custody with TD Ameritrade and to place transactions for Client accounts with TD Ameritrade. EFG's receipt of Additional Services does not diminish its duty to act in the best interests of its Client's including seeking best execution of trades for Client accounts.

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#### Advisory Firm Payments for Client Referrals

EFG does not compensate for client referrals.

### Item 15: Custody

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#### Account Statements

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

EFG is deemed to have constructive custody solely because advisory fees are directly deducted

from client's account by the custodian on behalf of EFG.

## Item 16: Investment Discretion

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### Discretionary Authority for Trading

EFG accepts discretionary authority to manage securities accounts on behalf of clients. The client will grant this discretion in the advisory agreement and/or by executing a limited power of attorney document. EFG 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. However, EFG consults with the client prior to each trade to obtain concurrence if a blanket trading authorization has not been given.

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

## Item 17: Voting Client Securities

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### Proxy Votes

EFG does not vote proxies on securities. Clients are expected to vote their own proxies. The client will receive their proxies directly from the custodian of their account or from a transfer agent.

When assistance on voting proxies is requested, EFG will provide recommendations to the client. If a conflict of interest exists, it will be disclosed to the client.

## Item 18: Financial Information

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### Balance Sheet

A balance sheet is not required to be provided because EFG does not serve as a custodian for client funds or securities and EFG does not require prepayment of fees of more than \$500 per client and six months or more in advance.

### Financial Conditions Reasonably Likely to Impair Advisory Firm's Ability to Meet Commitments to Clients

EFG has no condition that is reasonably likely to impair our ability to meet contractual commitments to our clients.

### Bankruptcy Petitions during the Past Ten Years

Neither EFG nor its management has had any bankruptcy petitions in the last ten years.

## Item 19: Requirements for State Registered Advisors

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Education and business background, including any outside business activities for all management and supervised persons can be found in the Supplement to this Brochure (Part 2B of Form AD Part 2).

### Material Relationship Maintained by this Advisory Business or Management persons with Issuers of Securities

None to report.

February 25, 2022

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Salem, Virginia 24153

540.389.6060 T  
540.765.2586 F

David@VestedMFO.com

**ELLIS FINANCIAL GROUP LLC**

*doing business as*



**V E S T E D**  
P A R T N E R S  
A MULTI-FAMILY OFFICE

Item 1 Cover Page

**SUPERVISED PERSON BROCHURE**

FORM ADV PART 2B

David W. Ellis, CFP<sup>®</sup>, AIF<sup>®</sup>

This brochure supplement provides information about David W. Ellis and supplements the **Vested Partners**: A Multi- Family Office brochure. You should have received a copy of that brochure. Please contact David Ellis if you did not receive the brochure or if you have any questions about the contents of this supplement.

Additional information about David W. Ellis (CRD #4155797) is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**February 25, 2022**

## Brochure Supplement (Part 2B of Form ADV)

### Supervised Person Brochure

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#### Principal Executive Officer

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David W. Ellis, CFP®, AIF®

- Year of birth: 1970
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#### Item 2 Educational Background and Business Experience

##### Educational Background:

05/1997 Virginia Commonwealth University  
Master of Fine Arts

06/1992 Virginia Tech  
Bachelor of Arts, English

##### Business Experience:

10/2015 to Present Ellis Financial Group LLC  
d/b/a Vested Partners: A Multi-Family Office  
Managing Member/Chief Compliance Officer

10/2015 to Present Ellis Insurance Services LLC  
Owner/Insurance Agent

07/2014 to Present Wertland Enterprises LLC  
Member

12/2011 to 12/2015 David W. Ellis, Sole Proprietor  
Insurance Broker

12/2011 to 11/2015 LPL Financial LLC  
Registered Representative

12/2011 to 11/2015 Independent Financial Partners  
Investment Advisor Representative

05/2006 to 12/2011 SunTrust Investment Services, Inc.  
Registered Representative/Investment Advisor Representative

08/2003 to 05/2006 Investors Security Company, Inc.  
Registered Representative/Investment Advisor Representative

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#### 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.

Accredited Investment Fiduciary® (AIF®): Accredited Investment Fiduciary designation is awarded from the Center for Fiduciary Studies, LLC. AIF® certification requirements:

- Complete training curriculum.
- Pass the 60 questions AIF® exam with 75% correct answers.
- Sign and agree to abide by a Code of Ethics.
- Complete six hours of continuing professional education, four of which are fi360 Training CE.
- Maintain current contact information in fi360’s designee database.
- Submit yearly renewal application with annual dues.

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### Item 3 Disciplinary Information

*Criminal or Civil Action:* None to report for the past 10 years.

*Administrative Proceeding:* None to report for the past 10 years. *Self-*

*Regulatory Proceeding:* None to report for the past 10 years.

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#### Item 4 Other Business Activities

David Ellis has a financial industry affiliated business as an insurance agent. From time to time, he offers clients advice or products from those activities. Approximately 20% of Mr. Ellis' time is spent in these practices. Clients are not required to purchase any products.

These practices represent conflicts of interest because it gives Mr. Ellis an incentive to recommend products based on the commission amount received. This conflict is mitigated by disclosures, procedures, and the firm's Fiduciary obligation to place the interests of the client first and clients are not required to purchase any products. Clients have the option to purchase these products through another insurance agent of their choosing.

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#### Item 5 Additional Compensation

Mr. Ellis receives additional compensation in his capacity as an insurance agent. He does not receive any performance-based fees.

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#### Item 6 Supervision

Since Mr. Ellis is the sole owner of Ellis Financial Group LLC; he is solely responsible for all supervision and formulation and monitoring of investment advice offered to clients.

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#### Item 7 Requirements for State-Registered Advisors

*Arbitration Claims:* None to report.

*Self-Regulatory Organization or Administrative Proceeding:* None to report.

*Bankruptcy Petition:* None to report.





# PRIVACY POLICY NOTICE

**Vested Partners:** A Multi- Family Office is committed to adhering to the requirements and expectations regarding the privacy of personal information. Privacy regulations are founded upon three definitions:

1. **Consumer** – a person who has not entered into an investment advisory relationship but has disclosed nonpublic personal information to our firm.
2. **Client** – a person who has entered into an investment advisory relationship with the firm or that individual’s designated representative.
3. **Confidential Information** – personally identifiable private information, not available from public sources, about a client or consumer. It generally includes name, address, age, social security number, assets, income, net-worth, account balances, account numbers, beneficiary information, or investment history.

Our firm collects nonpublic information about client and consumers. We will not share nonpublic information about clients or consumers with third parties not affiliated with our firm, except as noted below:

- To complete transactions or account changes, as directed by the client
- To maintain or service a client’s account
- If requested by the client
- With entities under common ownership and control of our firm
- With contracted third-parties who require the information to develop, support and deliver services
- If our firm is required or permitted by law or regulatory authorities with jurisdiction over the firm

As a client of our firm your privacy is important to us. We are dedicated to safeguarding your personal and financial information. We restrict access to confidential personal information about you to those employees who need to know that information to provide products or services to you. We maintain physical, electronic, and procedural safeguards to comply with federal standards to guard your confidential personal information. We continue to safeguard and keep confidential the personal and financial information of all present and past clients.

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.

Please contact us with any questions about this policy.

**If you wish for us not to share your information as stated above,** please contact us by:

- Calling us at 540.389.6060 or
- Contact us by mail at: **Vested Partners: A Multi- Family Office**  
P.O. Box 808  
Salem, VA 24153