

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



**Trendz Advisors Inc.**

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Knoxville, Tennessee 37919

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Web Address: [www.trendzadvisors.com](http://www.trendzadvisors.com)

12/31/2023

This brochure provides information about the qualifications and business practices of Trendz Advisors Inc. If you have any questions about the contents of this brochure, please contact us at 865-290-3008 or [don@trustfirst.com](mailto:don@trustfirst.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. Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

Additional information about Trendz Advisors Inc. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 139528.

## **Item 2 Material Changes**

This Firm Brochure, dated December 31, 2023, provides you with a summary of Trendz Advisors Inc. advisory services and fees, professionals, certain business practices and policies, as well as actual or potential conflicts of interest, among other things. This Item is used to provide our clients with a summary of new and/or updated information; we will inform of the revision(s) based on the nature of the information as follows.

Consistent with the rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

To obtain our firm brochure and brochure supplements (information regarding each of our financial advisors), our Summary of the Business Continuity Plan ("BCP"), Code of Ethics, or our Privacy Policy, please contact us at the address below:

**Attn:** Trendz Advisors Inc.  
**Don Taylor**  
**Main Office Address:** 265 Brookview Centre Way, Suite 502  
Knoxville, TN 37919  
**Main Phone:** 865-390-3008  
**Email :** don@trustfirst.com  
**Web Site Address:** <http://www.trendzadvisors.com>

The following summarizes new or revised disclosures based on information previously provided in our Firm Brochure dated Dec 2022:

**Items 4 through 19** - We have significantly revised the entire brochure to enhance disclosures and identify potential conflicts of interest in each section.

### **Item 3 Table of Contents**

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## **Item 4 Advisory Business**

Trendz Advisors Inc. is a state-registered investment adviser with its principal place of business located in Knoxville, Tennessee. Trendz Advisors Inc., doing business as Trendz Advisors Inc., began conducting business in 2008.

Listed below are the firm's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of this company).

- Donald O. Taylor, President and Chief Compliance Officer

Trendz Advisors Inc. offers the following advisory services to our clients:

### **INDIVIDUAL PORTFOLIO MANAGEMENT**

Our firm provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal investment policy and create and manage a portfolio based on that policy. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client's prior investment history, as well as family composition and background.

We manage these advisory accounts on a discretionary or non-discretionary basis. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations.

Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

- Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice on securities, fixed income products, mutual funds and ETFs.
- Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

## **MODEL PORTFOLIO MANAGEMENT**

Our firm provides portfolio management services to clients using model asset allocation portfolios as well as client specific portfolios. The proper portfolio for individual investors is determined by risk tolerance and retirement objectives.

Trendz Model: Trendz is an algorithm used for dynamic and tactical model allocation assignments. Every 6 weeks, a certified public accountant gathers index data on 10 basic asset classes. Using a fixed formula, allocation for 3 risk profiles are determined and provided to the investment advisors for diversified application. The basic concept of Trendz is to allow upwardly trending dynamic market changes to be applied to ongoing asset allocation. Trendz is a completely numbers based, unbiased and unemotional form of investment management.

Custom Models are developed for clients needing customization based on their specific needs or circumstances.

Trendz Model style advisory accounts are managed on a discretionary basis. Client specific designed portfolios can be managed on a discretionary or non-discretionary basis. Trendz 1234 is an "advice only" service specifically for tax qualified accounts.

Through personal discussions with the client in which the client's goals and objectives are established, we determine if the model portfolio is suitable to the client's circumstances. Once we determine the risk profile/suitability of the portfolio, the portfolio is managed based on the specific Trendz Model, rather than on each client's individual needs. Clients, nevertheless, have the opportunity to place reasonable restrictions on the types of investments to be held in their account. Clients retain individual ownership of all securities.

Our investment recommendations are not limited to any specific product or service offered by a broker dealer or insurance company and will generally include advice regarding securities, fixed income products, mutual funds and ETFs.

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

To ensure that our initial determination of an appropriate portfolio remains suitable and that the account continues to be managed in a manner consistent with the client's financial circumstances:

1. Clients receive monthly or, at least quarterly, statements from their qualified custodian informing clients of their holdings. If a client's investment objectives, risk tolerance or circumstances change, we remind clients to notify us immediately to discuss these changes with their financial consultant;
2. at least annually, contact each participating client to determine whether there have been any changes in the client's financial situation or investment objectives, and whether the client wishes to impose investment restrictions or modify existing restrictions;

3. be reasonably available to consult with the client; and
4. maintain client suitability information in each client's file.

**REGULATORY ASSETS UNDER MANAGEMENT**

As of 12/31/2023 we were actively managing \$47,704,792.03 of clients' assets on a discretionary basis for 233 clients. We have 2 non-discretionary corporate accounts with assets totaling \$11,461,906. Our asset total is \$59,166,698.

**Item 5 Fees and Compensation**

**INDIVIDUAL AND MODEL PORTFOLIO MANAGEMENT FEES**

Fees are charged in arrears, after earned. For simplicity, we charge using quarter end investment values of the account. There is no specific opening balance or minimum fee requirement. Margin assets are included where used in a client's portfolio. Each quarter, fees are deducted directly from your investment account. We may also list bill clients where direct debit is not available.

The annualized fee for Investment Services are charged as a percentage of assets under management, according to the following schedule:

**Assets Under Management & Annual Fee**

Examples: \$100,000 investment value at 12/31 and a fee rate of 1.0%

**(Arrears)** Account would be charged ( $100,000 \times 1.0\% = 1,000/4$  quarters) \$250 in January for the 4th Quarter.

<b>Assets Under Management</b>	<b>Annual Fee</b>
\$0 - \$500,000 =	1.0%
\$500,001 - \$1,000,000 =	1.0%
\$1,000,001 and above =	1.0%
Client Specific Portfolios =	Negotiable
401k Corporate accounts	Negotiable

Where accounts are held at various fund companies or plan provider, transactions are free of charge.

For stock and mutual fund transactions where Pershing charges a transaction fee to Trendz Advisors our firm generally passes those fees on to the advisory client, for most clients, this fee is \$15.00 per transaction, not inclusive of exchange fees and other costs associated with the client's clearing firm. Clients should refer to their separate brokerage agreement for specific brokerage fees.

### **ERISA / PENSION PROTECTION ACT OF 2006 (PPA):**

We may also have IRA accounts or other retirement accounts that are subject to the Pension Protection Act of 2006 (PPA). In all cases, an “eligible investment advice arrangement” or advisory agreement will be executed with the Client. We will be considered a “fiduciary advisor” and will charge fees to the retirement account based on a level fees basis which means the fees will not vary depending on the basis of the investment option selected.

The amount of compensation and other consideration reasonably anticipated to be paid, directly or indirectly, to us, our Affiliates or Related Entities for their services in connection with the Recommendation(s) is not in excess of reasonable compensation within the meaning of § 4975(d)(2) of the Code and ERISA Section 408(b)(2).

### **OTHER REVENUE**

Trendz Advisors Investment Advisors are compensated only by management fees. No other compensation is provided.

### **GENERAL INFORMATION**

**Termination of the Advisory Relationship:** The Advisory Agreement may be terminated by either party at any time upon 30 days written notice. The client may cancel the contract within 5 days of signing without incurring any fees.

**Mutual Fund Fees:** All fees paid to Trendz Advisors Inc. for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus.

These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. For stock and mutual fund transactions where Pershing charges a transaction fee to Trendz Advisors Inc., Trendz Advisors Inc. may pass those fees on to the advisory client, generally \$15.00 per transaction.

A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

**Additional Fees and Expenses:** In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the

client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

**ERISA Accounts:** Trendz Advisors Inc. is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, Trendz Advisors Inc. may only charge fees for investment advice about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees, or conversely, investment advice about products for which our affiliated broker/dealer and/or our related persons receive commissions or 12b-1 fees.

**Advisory Fees in General:** Under written agreement with the client, Trendz Advisors Inc. will directly debit fees from client accounts and mail a copy of the bill to clients. In limited circumstances, and where separately contracted with the client, fees will be billed to the client. Fees are billed in arrears, as agreed upon with the client in the client's separate written agreement.

## **Item 6 Performance-Based Fees and Side-By-Side Management**

Trendz Advisors Inc. does not charge performance-based fees.

## **Item 7 Types of Clients**

Trendz Advisors Inc. provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals
- Pension and profit-sharing plans (other than plan participants)
- 401(k) and other qualified plans
- Charitable organizations
- Business accounts



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

### Investment Methodology

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

Trendz uses a patented algorithm to make investment allocation decisions.

The Trendz methodology is based on the following basic premises:

Asset classes can have wide divergences or different performances during various business or economic cycles. In other words, equities can outperform fixed income, value can outperform growth, small cap can outperform large cap and vice versa. In order to best manage assets, these “trends” must be tracked to make better asset allocation recommendations.

Mutual Funds and Exchange Traded funds performances correlate to their peer asset class index.

Studies suggest professional investment advice can add value overall investment performance to advisory accounts.

Trendz uses the following asset classes:

Money Market	Small Growth	Small Value	Mid Growth	Mid Value	Global	Large Growth	Large Value	Short Bonds	Long Bonds	High Yield
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A Certified Public Accountant (CPA) inputs data into the system and delivers the results to Trendz Advisors every 6 weeks. Using mutual funds and exchange traded funds available within specific plan choices, recommendations are mapped to “best fit” for asset classes.

Using the “Risk Profile”, allocation adjustments are made.

The following Risk Profiles are available for Trendz.

**Traditional** – Up to 95% can be allocated to equities during “Bull Markets”.

**Moderate** – Up to 60% can be allocated to equities during “Bull Markets”, while 40% must be allocated to fixed income assets.

**Conservative** – Up to 30% can be allocated to equity assets during “Bull Markets”, while 70% must be allocated to fixed income assets.

Even during “Bull Markets”, all Trendz styles can turn very conservative. Generally, Trendz will only allocate to positively performing asset classes. During difficult market conditions, up to 100% of allocations can move to money markets or fixed income to preserve capital.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

**Risks for all forms of analysis.** Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

**Risk of Loss.** Securities investments are not guaranteed and you may lose money on your investments. We ask that you work with us to help us understand your tolerance for risk.

## **Item 9 Disciplinary Information**

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

We have no material disclosures for Trendz Advisors or its representatives.

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

### **FIRM REGISTRATIONS:**

In addition to Trendz Advisors Inc. being a registered investment adviser, with common ownership, we are affiliated with TrustFirst Inc., registered as a FINRA member broker-dealer. A list of affiliated broker-dealers is specifically disclosed in Section 7.A. on Schedule D of Form ADV, Part 1, which can be accessed by following the directions provided on the Cover Page of this Firm Brochure.

### **MANAGEMENT PERSONNEL REGISTRATIONS:**

Management and personnel of our firm are separately licensed as registered representatives of TrustFirst Inc., an affiliated FINRA member broker-dealer, CRD #39057. Trendz Advisors Inc. also offers clients private placements structured by our firm's affiliated broker/dealer. We offer these types only to clients who have significant experience and are suitable for such offerings.

The following LLC's are managed by Mr. Taylor, the President of our firm:

DG II, Augusta Papa LLC., Emory Preferred LLC, NCDG Properties, LLC., MCDHRB LLC., and Vida Star Properties, LLC.

These real estate private investments are offered under offering memorandum and any advisory client who considers these offerings should carefully read the separate disclosure carefully. Currently, Trendz Advisors Inc. does not have any investment advisory clients involved in these types of offerings. Trendz Advisors doesn't charge a fee on the private placement assets, but we do have advisory customers who own the same.

While Trendz Advisors Inc. and these individuals endeavor at all times to put the interest of the clients first as part of our fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest, and may affect the judgment of these individuals when making recommendations.

Our firm's management and other financial consultants are separately licensed as investment representatives of TrustFirst, Inc. CRD #39057. In that capacity, individuals provide advisory services through Trendz Advisors, Inc.

There are no referral fee arrangements between our firm and TrustFirst, Inc. However, a conflict of interest is created by this arrangement to the extent that management and financial consultants of Trendz Advisors Inc. recommend that a Trendz Advisors client open an account at TrustFirst Inc.

Additionally, Trendz Advisors advice can be "piggy backed" using various plan providers, such as Fidelity, Schwab, Transamerica and any number of other plan providers. In this arrangement, we map our asset class recommendations to the best fit mutual funds or ETFs available within that specific platform.

We may occasionally trade the same or similar securities in client portfolios that are traded by TrustFirst, Inc. in its client portfolios. When this occurs, our clients may receive a better or worse price or execution than TrustFirst, Inc. clients depending on the order of trade execution, the type of security traded and the broker-dealer used. In order to minimize the potential for any systematic disadvantage to clients; when trades are placed in the same security on the same day for both our clients and Trendz Advisors, Inc. clients (whose portfolios are within our firm's control), we will seek to rotate the order of execution.

As this affiliation with TrustFirst, Inc. may present potential conflicts of interest, we have established written policies and procedures for insider trading that prohibit any other member, officer or employee of our firm, from buying, selling or recommending the securities of companies bought, sold or recommended by TrustFirst, Inc. where the decision is substantially derived, in whole or in part, by reason of access to the recommendations of Trendz Advisors, Inc. to its clients.

As required, any affiliated investment advisers are specifically disclosed in Section 7.A. on Schedule D of Form ADV, Part 1. (Part 1 of our Form ADV can be accessed by following the directions provided on the Cover Page of this Firm Brochure.)

Management personnel of our firm, in their individual capacities, are agents for various insurance companies. As such, these individuals are able to receive separate, yet customary commission compensation resulting from implementing product transactions on behalf of advisory clients. Clients, however, are not under any obligation to engage

these individuals when considering implementation of advisory recommendations. The implementation of any or all recommendations is solely at the discretion of the client.

Finally, Management persons of our firm also act as managing members of LLC's setup to hold real-estate investment holdings.

Clients should be aware that the receipt of additional compensation by Trendz Advisors Inc. and its management persons or employees creates a conflict of interest that may impair the objectivity of our firm and these individuals when making advisory recommendations. Trendz Advisors Inc. endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment adviser; we take the following steps to address this conflict:

- we disclose to clients the existence of all material conflicts of interest, including the potential for our firm and our employees to earn compensation from advisory clients in addition to our firm's advisory fees;
- we disclose to clients that they are not obligated to purchase recommended investment products from our employees or affiliated companies;
- we collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
- our firm's management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances;
- we require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
- we periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm; and
- we educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

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

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

Trendz Advisors Inc. and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions.

Trendz Advisors Inc.' Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to [don@trustfirst.com](mailto:don@trustfirst.com), or by calling us at 865-290-3008.

Trendz Advisors Inc. or individuals associated with our firm may buy securities for the firm or for themselves from our advisory clients; or sell securities owned by the firm or the individual(s) to our advisory clients. We will ensure, however, that such transactions are conducted in compliance with all the provisions under Section 206(3) of the Advisers Act governing principal transactions to advisory clients.

Trendz Advisors Inc. does not affect agency cross transactions for advisory clients. An agency cross transaction is a transaction where our firm acts as an investment adviser in relation to a transaction in which Trendz Advisors Inc. or any person controlled by or under common control with our firm, acts as broker for both the advisory client and for another person on the other side of the transaction.

The principals of TrustFirst Inc., our affiliate broker-dealer is also Managing Member or General Partner and principal of the Private Investment Funds (the Fund) outlined in Items 5 and 10 of this disclosure brochure. The General Partner has primary responsibility for investment management and administrative matters, such as accounting tax and periodic reporting, pertaining to the various Funds. TrustFirst Inc. members of management and employees will devote to the Funds as much time as we deem necessary and appropriate to manage the Fund's business. Trendz Advisors Inc. and our affiliates are not restricted from forming additional investment funds, entering into other investment advisory relationships or engaging in other business activities, even though such activities may be in competition with the Fund and/or may involve substantial time and resources of our firm and our affiliates. Potentially, such activities could be viewed as creating a conflict of interest in that the time and effort of our management personnel and employees will not be devoted exclusively to the business of the Advisor, but could be allocated between the businesses of the Advisor, Fund and other of our business activities and those of our affiliates.

Investments in the various Private Pooled Investment Funds may be recommended to advisory clients for whom a partnership investment may be more suitable than would a separate advisory account managed by our firm. Clients who invest in these types of investment are not charged any additional advisory fees other than the advisory fee allocated to the limited partners of the Fund.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

We may aggregate our employee trades with client transactions where possible and when compliant with our duty to seek best execution for our clients. In these instances, participating clients will receive an average share price and transaction costs will be shared equally and on a pro-rata basis. In the instances where there is a partial fill of a particular batched order, we will allocate all purchases pro-rata, with each account paying the average price. Our employee accounts will be included in the pro-rata allocation.

As these situations represent actual or potential conflicts of interest to our clients, we have established policies and procedures for implementing our firm's Code of Ethics, to ensure our firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

1. No principal or employee of our firm may put his or her own interest above the interest of an advisory client.
2. No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.
3. It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account. This prevents such employees from benefiting from transactions placed on behalf of advisory accounts.
4. Our firm requires prior approval for any IPO or private placement investments by related persons of the firm.
5. We maintain a list of all reportable securities holdings for our firm and anyone associated with this advisory practice that has access to advisory recommendations ("access person"). These holdings are reviewed on a regular basis by our firm's Chief Compliance Officer or his/her designee.
6. All clients are fully informed that related persons may receive separate commission compensation when effecting transactions during the implementation process.

*\*\*Please refer to Item 10 for a detailed explanation of these relationships and important conflict of interest disclosures.*

## **Item 12 Brokerage Practices**

### **BROKERAGE SELECTION**

For 401(k) accounts and assets held away at Fidelity, Schwab, or any number of other plan providers, we use that specific plan provider's fund choices for advice services.

Trendz Advisors Inc., for accounts held at Pershing, LLC, generally executes transactions through its affiliated broker/dealer, TrustFirst Inc. has negotiated a clearing arrangement with Pershing, LLC. (Pershing), a FINRA member broker/dealer. Our firm will execute transactions that are non-wrap based and wrap-based, depending on the client's specific needs. When our firm recommends wrap fee arrangements, we generally recommend the Pershing wrap fee platform and its affiliated custodial and brokerage services. Trendz Advisors Inc. believes that this negotiated wrap fee program will provide clients with a blend of execution services, commission costs and professionalism that will assist us in meeting our fiduciary obligations to our clients. Although we recommend and utilize our broker/dealer and/or Pershing, clients are not obligated to transact business through these platforms and may direct our firm to utilize another custodian or broker/dealer. Clients who choose to utilize the services of other broker-dealers or custodians or who do not participate in a wrap fee program should recognize that brokerage commissions for the execution of transactions in the clients' accounts are not negotiated by Trendz Advisors Inc. and are executed on a trade-by-trade basis. These clients will pay a commission and other brokerage/custodial fees that clients who participate in the wrap program are not charged.

In non-wrap program account best execution may not be achieved. The client should consider, therefore, that depending upon the level of the wrap fee charged, the amount of portfolio activity in the client's account, the value of the custodial and other services which are provided under the arrangement and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately and if Trendz Advisors Inc. were to negotiate commissions and seek best price or execution. Not all advisers recommend that clients use a particular broker-dealer, but advisers utilizing wrap fee programs typically do.

### **BEST EXECUTION**

It is our policy to select brokers on the basis of the best combination of cost and execution capability. Subject to its best execution obligations, we intend to use our affiliated broker/dealer or the Pershing Platform to affect all or substantially all client securities transactions. We may develop other broker-dealer arrangements with other unaffiliated broker-dealer firms at our discretion. Factors that we consider when recommending TrustFirst Inc. or Pershing include execution, pricing, research and service provided. We understand and acknowledge that at all times we owe a fiduciary duty to the client to obtain best execution for client transactions. We believe that these arrangements help us to execute securities transactions for clients in such a manner

that client's total cost in each transaction is as favorable as possible under prevailing market conditions. However, accounts executed through TrustFirst Inc. and Pershing Brokerage Services may not obtain best execution at all times.

Pershing services provide TrustFirst. with institutional trading and custody services not typically provided to retail clients. In addition, Pershing will provide services related to brokerage executions, such as trade reporting, monitoring and research (in the form of analysis and reports).

#### **ADDITIONAL SERVICES RECEIVED BY OUR FIRM:**

Our firm does not have any formal soft dollar arrangements. Although trades may be done with brokers who are selected on the basis of research products or services. These may be used for the benefit of all clients and are not necessarily used exclusively by the account for which the transaction was made. The types of products and services include written and oral reports concerning current or prospective portfolio holdings, economic interpretations, and portfolio strategy. Clients are not charged for these services and the information received may be used to benefit all clients of our Firm.

#### **BROKERAGE FOR CLIENT REFERRALS**

Neither our Firm nor our Advisory Agents receive client referrals from a broker-dealer or other third party when recommending to client a broker-dealer for the execution of securities transactions.

#### **DIRECTED BROKERAGE**

If a client wants to direct us to use a particular broker dealer to handle security transactions then the client, and not our firm, is responsible for the custodian fee arrangement. As stated above, clients should understand that this might prevent us from effectively negotiating brokerage compensation or obtaining the most favorable net price and execution. When directing brokerage business, client should consider whether the commission expenses, execution, clearance and settlement capabilities that client will obtain through another broker-dealer are adequately favorable in comparison to those that our Firm would otherwise obtain for client using Pershing. Trendz Advisors Inc. encourages clients to discuss available alternatives with our advisory agents.

Neither this Firm nor our advisory agents receive any products, research or services other than those previously disclosed.

#### **AGGREGATION OF TRADES**

We trade accounts separately and may choose to aggregate certain orders with respect to a security if such aggregation is consistent with the belief and goals of achieving best execution for the various client accounts. Hindsight is 20/20 and although we may aggregate client transactions, we are not required to aggregate trades and may execute trades separately. When orders are aggregated, each participating account receives the weighted average share price for all transactions in a particular security effected to fill such orders on a given business day and transaction costs are shared pro rata based upon each accounts participation in the transaction. Allocations of orders among client



accounts must be made in a fair and equitable manner.

## **Item 13 Review of Accounts**

### **INDIVIDUAL PORTFOLIO MANAGEMENT**

**REVIEWS:** While the underlying securities within Individual Portfolio Management Services accounts are continually monitored, these accounts are reviewed at least every 6 weeks, with adjustments made as recommended by the Trendz methodology. Accounts are reviewed in the context of each client's stated investment objectives and risk profile. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

These accounts are reviewed by: The Financial Consultant over the account.

**REPORTS:** Clients receive monthly statements and confirmations of transactions directly from their qualified custodian, we will only provide reports summarizing account performance, balances and holdings if separately contracted by the client.

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

It is Trendz Advisors Inc.' policy not to engage solicitors or to pay related or non-related persons for referring potential clients to our firm.

### **OTHER COMPENSATION**

Trendz Advisors Inc. receives no other compensation from brokerage firms or plan providers.

## **Item 15 Custody**

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts.

As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

In addition to the periodic statements that clients receive directly from their custodians, we may also elect to send, at the client's request, account statements directly to our clients. We urge our clients to carefully compare the information provided on these statements to those statements received from the client's qualified custodian to ensure that all account transactions, holdings and values are correct and current. Please notify

the Chief Compliance Officer of our firm or your qualified custodian for any discrepancies or concerns.

## **Item 16 Investment Discretion**

Our discretionary authority includes the ability to do the following without contacting the client:

- determine the security to buy or sell; and/or
- determine the amount of the security to buy or sell

Clients give us discretionary authority when they sign a discretionary agreement with our firm, and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

## **Item 17 Voting Client Securities**

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

We may provide clients with consulting assistance regarding proxy issues if they contact us with questions at our principal place of business.

## **Item 18 Financial Information**

As an advisory firm that maintains discretionary authority, we are also required to disclose any financial condition that is reasonable likely to impair our ability to meet our contractual obligations. Trendz Advisors Inc. has no such financial circumstances to report.

Trendz Advisors Inc. has not been the subject of a bankruptcy petition at any time during the past ten years.

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

The following individuals are the principal executive officers and management persons of Trendz Advisors Inc.:

- Donald O. Taylor, President

Information regarding the formal education and business background for each of these individuals is provided in their respective Brochure Supplements.

We are required to disclose all material facts regarding certain legal or disciplinary events pertaining to arbitration awards or other civil, regulatory or administrative proceedings in which our firm or management personnel were found liable or against whom an award was granted.

Trendz Advisors does not have material disciplinary disclosures.

As previously disclosed in "Other Financial Industry Activities and Affiliations" (Item 10), neither Trendz Advisors Inc. nor our management personnel have a relationship or arrangement with any issuer of securities.

## Brochure Supplement – Trendz Advisors, Inc.

Donald O. Taylor

Trendz Advisors, Inc.

265 Brookview Centre Way, Suite 502

Knoxville, TN 37919

CRD# 725947

Registered with this firm since: 11/01/2008

### **PURPOSE OF THE BROCHURE SUPPLEMENT:**

This *BROCHURE SUPPLEMENT* provides information about Donald O. Taylor that supplements the Trendz Advisors, Inc. *FIRM BROCHURE* document. You should have received a copy of that *FIRM BROCHURE*. Please contact Donald O. Taylor if you did not receive Trendz Advisors, Inc.'s *FIRM BROCHURE* or if you have any questions about the contents of this *BROCHURE SUPPLEMENT*.

Additional information about Donald O. Taylor is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) (the CRD number for Donald O. Taylor is 725947).

**NOTE:** While Trendz Advisors, Inc may refer to itself as a “registered investment advisor” or “RIA,” Clients should be aware that registration itself does not imply any level or skill or training.

## **EDUCATIONAL AND BUSINESS EXPERIENCE**

**Donald O. Taylor**, Investment Adviser Representative

### *Education Business Background*

Middle Tennessee State University, BS, 1980 Graduate

TrustFirst Inc., owner and principal 1995-present

Trendz Advisors Inc., owner and President, 2007-present

PaineWebber 1991-1995, Investment Representative

First Tennessee Bond Division 1987-1991, Investment Representative

Investment Exams, S4 Options Principal, S6 Series 6 Investment Company and Variable Contracts

Products Representative, S7 General Securities Exam, S24 General Securities Registered Principal, S27

Financial Operations Principal, S53 Municipal Securities Principal, S63 State, S65 Uniform Investment Adviser State Law Examination

## **DISCIPLINARY INFORMATION**

Donald O. Taylor has no material disclosures as it relates to Trendz Advisors Inc. Prospective clients can view the CRD records (registration records) for Donald O. Taylor through the SEC's Investment Adviser Public Disclosure (IAPD) website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) or FINRA's BrokerCheck database online at [w.finra.org/brokercheck](http://w.finra.org/brokercheck). The CRD number for Donald O. Taylor is 725947. For any pending regulatory actions, see sites listed above.

## **OTHER BUSINESS ACTIVITIES**

In addition to being an investment adviser representative (hereafter "IA Rep") of Trendz Advisors Inc., Donald O. Taylor is a Registered Representative of TrustFirst Inc. Donald O. Taylor is licensed as independent insurance agent in Tennessee.

Donald O. Taylor, as a Registered Representative of TrustFirst Inc., may make recommendations on insurance products and may also, as an independent insurance agent, sell those recommended insurance products to advisory clients. When such recommendations or sales are made, a conflict of interest exists as Donald O. Taylor may earn insurance commissions for the sale of those products, which may create an incentive to recommend such products. Trendz Advisors Inc. requires that Donald O. Taylor disclose this conflict of interest when such recommendations are made.

Taylor serves as manager of DG Income Properties II, NCDG Properties, LLC, MCDHRB LLC, Vida Star Properties LLC., Augusta Papa LLC and Emory Preferred Investor LLC. These LLC partnerships have been formed to purchase income producing properties. He may sell these products to advisory clients. When such recommendations or sales are made, a conflict of interest exists as Donald O. Taylor may earn insurance commissions for the sale of those products, which may create an incentive to recommend such products. Trendz Advisors Inc. requires that Donald O. Taylor disclose this conflict of interest when such recommendations are made.

## **ADDITIONAL COMPENSATION**

Aside from the sales commissions paid by insurance companies to Donald O. Taylor (see the "OTHER BUSINESS ACTIVITIES" section above), Donald O. Taylor does not receive any additional compensation from non-clients for providing advisory services. All advisory compensation is paid by clients directly.

## **SUPERVISION**

As principal of Trendz Advisors, Donald O. Taylor is primarily responsible for supervision of Donald O. Taylor Registered Investment Advisor and its IA Reps.

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

Trendz Advisors Inc. would be required to disclose additional information for Donald O. Taylor if he had ever been the subject of a bankruptcy petition or ever been found liable in either: (a) an arbitration; or (b) a civil, self-regulatory organization, or administrative proceeding. As none of these apply to Donald O. Taylor, Trendz Advisors Inc. has no information to disclose in this regard.