401 / Financial

Firm Brochure

Welcome

This Brochure provides information about the qualifications and business practices of 401 Financial, LLC, "401 Financial". If you have any questions about the contents of this Brochure, please contact us at (732) 965-3791. 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.

401 Financial, LLC is registered as an Investment Adviser with the State of California. Registration of an Investment Adviser does not imply any level of skill or training. You are encouraged to review this Brochure and Brochure Supplements for our firm's employees who advise you for more information on their qualifications.

Additional information about 401 Financial is available on the SEC's website at www.adviserinfo.sec.gov, which can be found using the firm's identification number, 321.

Item 2: Material Changes

Changes

March 31st, 2023 There have been no material changes since our last filing.

Contents

401 Financial, LLC
3535 Lebon Drive #4420
San Diego, CA, 92122

Form ADV Part 2A – Firm Brochure. (732) 965-3791
Dated March 31, 2023

Item 4: Advisory Business

Description of Advisory Firm

401 Financial, LLC is registered as an Investment Adviser with the State of California. We were founded in April, 2022 as a limited liability company formed in the State of Delaware 2023. Tyrone V. Ross & Erik Smith are the principal owners of 401 Financial.

Types of Advisory Services

We are in the business of providing, financial planning, financial consulting and financial education to clients .

Financial Planning
A Financial Planning Client will be taken through the process of establishing their goals and values. They will be required to provide information to help complete the following areas of analysis: net worth, cash flow, insurance, employee benefits, retirement planning, investments, college planning, and estate planning. Once the Client's information is reviewed, their plan will be built and analyzed, and then the findings, analysis and potential recommendations will be reviewed with the Client.

Project Based Financial Planning Services
We also provide financial planning services for an hourly rate fee on topics such as retirement planning, risk management, portfolio review and evaluation, consulting on the purchase of substantial assets, tax planning, college savings, cash flow, debt management, work benefits, estate and incapacity planning, and financial planning education.

Financial planning involves an evaluation of a Client's current and future financial state by using currently known variables to predict future cash flows, asset values, and withdrawal plans. The key defining aspect of financial planning is that through the financial planning process, all questions, information, and analysis will be considered as they affect and are affected by the entire financial and life situation of the Client.

Clients purchasing this service will receive a written or an electronic report, providing the Client with a detailed financial plan designed to achieve his or her stated financial goals and objectives. As part of a client's financial plan, we may recommend other services we offer or the services of other professionals to implement our recommendations. While recommending our own services may present a conflict of interest, clients are under no obligation to act upon any of our recommendations and are not required to engage the services of any recommended professional. The client retains absolute discretion over all financial planning implementation decisions and may accept or reject any of our recommendations.

In general, the financial plan will address any or all of the following areas of concern. The Client and advisor will work together to select specific areas to cover. These areas may include, but are not limited to, the following:

- **Career & Business Planning:** We provide consulting services for Clients who currently operate their own business, are considering starting a business, or are planning for an exit from their current business. Under this type of engagement, we work with you to assess your current situation, identify your objectives, and develop a plan aimed at achieving your goals.
- **Cash Flow and Debt Management:** We will conduct a review of your income and expenses to determine your current surplus or deficit along with advice on prioritizing how any surplus should be used or how to reduce expenses if they exceed your income. Advice may also be provided on which debts to pay off first based on factors such as the interest rate of the debt and any income tax ramifications. We may also recommend what we believe to be an appropriate cash reserve that should be considered for emergencies and other financial goals, along with a review of accounts for such reserves, plus strategies to save desired amounts.

- **College Savings:** Includes projecting the amount that will be needed to achieve college or other post-secondary education funding goals, along with advice on ways for you to save the desired amount. Recommendations as to savings strategies are included.
- **Employee Benefits Optimization:** We will provide review and analysis as to whether you, as an employee, are taking the maximum advantage possible of your employee benefits. If you are a business owner, we will consider and/or recommend the various benefit programs that can be structured to meet both business and personal retirement goals.
- **Estate Planning:** This usually includes an analysis of your exposure to estate taxes and your current estate plan, which may include whether you have a will, powers of attorney, trusts, and other related documents. Our advice also typically includes ways for you to minimize or avoid future estate taxes by implementing appropriate estate planning strategies such as the use of applicable trusts. We always recommend that you consult with a qualified attorney when you initiate, update, or complete estate planning activities. We may provide you with contact information for attorneys who specialize in estate planning when you wish to hire an attorney for such purposes. From time-to-time, we will participate in meetings or phone calls between you and your attorney with your approval or request.
- **Goal & Lifestyle Planning:** We will help Clients identify financial goals and develop a plan to reach them. We will identify what you plan to accomplish, what resources you will need to make it happen, how much time you will need to reach the goal, and how much you should budget for your goal.
- **Investment Analysis:** This may involve developing an asset allocation strategy to meet Clients' financial goals and risk tolerance, providing information on investment vehicles and strategies, reviewing employee stock options, as well as assisting you in establishing your own investment account at a selected broker/dealer or custodian. The strategies and types of investments we may recommend are further discussed in Item 8 of this brochure.
- **Retirement Planning:** Our retirement planning services typically include projections of your likelihood of achieving your financial goals, typically focusing on financial independence as the primary objective. For situations where projections show less than the desired results, we may make recommendations, including those that may impact the original projections by adjusting certain variables (e.g., working longer, saving more, spending less, taking more risk with investments).

  If you are near retirement or already retired, advice may be given on appropriate distribution strategies to minimize the likelihood of running out of money or having to adversely alter spending during your retirement years.
- **Risk Management:** A risk management review includes an analysis of your exposure to major risks that could have a significant adverse impact on your financial picture, such as premature death, disability, property and casualty losses, or the need for long-term care planning. Advice may be provided on ways to minimize such risks and about weighing the costs of purchasing insurance versus the benefits of doing so and, likewise, the potential cost of not purchasing insurance ("self-insuring").
- **Tax Planning Strategies:** Advice may include ways to minimize current and future income taxes as a part of your overall financial planning picture. For example, we may make recommendations on which type of account(s) or specific investments should be owned based in part on their "tax efficiency," with the consideration that there is always a possibility of future changes to federal, state or local tax laws and rates that may impact your situation.

Item 4: Advisory Business

We recommend that you consult with a qualified tax professional before initiating any tax planning strategy, and we may provide you with contact information for accountants or attorneys who specialize in this area if you wish to hire someone for such purposes. We will participate in meetings or phone calls between you and your tax professional with your approval.

Investment Management Services

As part of its ongoing financial planning services, the firm will provide advice to a Client regarding the investment of Client funds based on the individual needs and capacity of the Client. Through personal discussions in which goals, objectives, and tolerance for risk based on a Client's particular circumstances are established. We develop a Client's investment plan with an asset allocation target and create and manage a portfolio based on that policy and allocation targets. We will also review and discuss a Client's prior investment history, health, family composition and background, values, attitudes, expectations, earnings potential, priorities, and current course of action.

Account supervision is guided by the stated objectives of the Client, as well as tax considerations. Additionally, we may periodically recommend that the client rebalance or adjust assets in their account. If the client experiences any significant changes to his/her financial or personal circumstances, the client must notify the firm so that we can consider such information in managing their investments.

Crypto Tax Reconciliation & Planning Consulting Services

In addition to our advisory services, 401 Financial will assist clients with the aggregation, categorization, and reconciliation of crypto currency transactions necessary for proper tax reporting. This service is tailored to (i) individuals who have multiple on-chain and off-chain crypto currency accounts and to (ii) tax preparation professionals who have such clients. Using Crypto Tax Calculator, 401 Financial will help the client set up an account and review the tax categorizations generated by the system with the client and the client's tax professional to make identify potential tax strategies such as:

- Tax consequences of reallocation
- Tax-loss harvesting
- Charitable giving strategies
- Asset location (taxable vs. qualified)
- Estimated tax payments
- Crypto income planning

The Firm will provide the following report to clients:

- Reconciled Transaction Data
- Capital Gains/Losses Report
- Income Report
- Misc. Expenses Report
- Current Holdings Report
- Tax Planning Strategies Report

401 Financial does not provide legal or tax advice. Clients are under no obligation to use this service, and 401 Financial may limit the number of clients using the service and the number of transactions per clients that it may review as a result of system and resource constraints. The fee for this service is set forth in Item 5 below.

Wrap Fee Programs

We do not participate in wrap fee programs.

CCR Section 260.235.2 Disclosure

For Clients who receive our Financial Planning services, we must state when a conflict exists between the interests of our firm and the interests of our Client. The Client is under no obligation to act upon our recommendation. If the Client elects to act on any of the recommendations, the Client is under no obligation to effect the transaction through our firm.

Item 5: Fees and Compensation

Please note, unless a Client has received the firm's Disclosure Brochure at least 48 hours prior to signing the investment advisory contract, the investment advisory contract may be terminated by the Client within five (5) business days of signing the contract without incurring any advisory fees. How we are paid depends on the type of advisory service we are performing. Please review the fee and compensation information below.

Financial Planning & Investment Management Services

Financial Planning and Investment Management consists of a flat fee of $500 for routine services that is paid monthly, in arrears. Fees for this service may be paid by electronic funds transfer. Accounts initiated or terminated during a calendar month will be charged a pro-rated fee based on the amount of time remaining in the billing period. An account may be terminated with written notice at least 15 calendar days in advance. Since fees are paid in arrears, no refund will be needed upon termination of the account. 401 Financial reserves the right to charge a surcharge for clients who use the service excessively, but it will not bill an amount above $500.00 more than 6 months in advance. No increase in the annual fee shall be effective without agreement from the Client by signing a new agreement or amendment to their current advisory agreement.

The financial planning fees described above do not include fees incurred by our clients with other professionals (i.e. legal attorney, accountant, etc.) in connection with the financial planning implementation process.

Project Based Financial Planning Fixed Fee

Project-Based Financial Planning engagements are offered at an hourly rate of $250 per hour. Clients will be informed of the hourly fee before the start of any work. Hourly fees will be due at the commencement of the engagement. In the event of early termination by the Client, any fees for the hours already worked will be due. Fees for this service may be paid by electronic funds transfer or check.

Other Types of Fees and Expenses

Our fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which may be incurred by the Client. Clients may incur certain charges imposed by custodians, brokers, and other third parties such as custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer, and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual fund and exchange-traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees, and commissions are exclusive of and in addition to our fee, and we shall not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that we consider in selecting or recommending broker-dealers for Client's transactions and determining the reasonableness of their compensation (e.g., commissions).

We do not accept compensation for the sale of securities or other investment products including asset-based sales charges or service fees from the sale of mutual funds.

Item 6: Performance-Based Fees and Side-By- Side Management

CCR Section 260.238(j) Disclosure

Please note, lower fees for comparable services may be available from other sources.

We do not offer performance-based fees and do not engage in side-by-side management.

Item 7: Types of Clients

We provide financial planning and portfolio management services to individuals and high net-worth individuals.

We do not have a minimum account size requirement.

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

When Clients have us complete an Investment Analysis (described in Item 4 of this brochure) as part of their financial plan, our primary methods of investment analysis are fundamental and technical analysis.

Our firm focuses on wealth accumulation and preservation strategies that look to maximize returns while managing risk. We base our investment strategies on clients' specific goals and objectives outlined during the financial planning process.

Passive Investment Management
We primarily recommend passive investment management utilizing exchange traded funds and traditional mutual funds. Passive investing involves building portfolios that are composed of various distinct asset classes. The asset classes are weighted in a manner to achieve the desired relationship between correlation, risk, and return. Funds that passively capture the returns of the desired asset classes are placed in the portfolio.

Passive investment management is characterized by low portfolio expenses (i.e. the funds inside the portfolio have low internal costs), minimal trading costs (due to infrequent trading activity), and relative tax efficiency (because the funds inside the portfolio are tax efficient and turnover inside the portfolio is minimal).

Through portfolio diversification strategies, we may overweight certain companies, sectors, or asset classes based on our analysis.

Crypto Assets
The term "crypto asset" refers to an asset that is issued and/or transferred using distributed ledger or blockchain technology, including, but not limited to, so-called "virtual currencies", "coins", and "tokens". The investment objective of our firm's crypto asset allocation is to offer interested clients exposure to the crypto asset market via a portfolio index comprising a diversified basket of crypto assets.

An investment in crypto assets is suitable only for clients wishing to have an allocation to an investment with a speculative objective who can bear the economic risk of the investment, who have no need for liquidity of the funds, understand the risks and are willing to accept those risks of loss of their entire investment in exchange for potential returns. Given the complexity of the products and technology the crypto assets pose, investment decisions made with respect to the allocation of any portfolio to crypto assets are subject to various potential risks including technical, legal, market, operational, price volatility, illiquidity, valuation methodology, related-party transactions, and conflicts of interest, and that those investment decisions will not always be profitable.

Material Risks Involved
All investing strategies we offer involve risk and may result in a loss of your original investment which you should be prepared to bear. Many of these risks apply equally to stocks, bonds, commodities, and any other investment or security. Material risks associated with our investment strategies are listed below.

Market Risk: Market risk involves the possibility that an investment's current market value will fall because of a general market decline, reducing the value of the investment regardless

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of the operational success of the issuer's operations or its financial condition.

Strategy Risk: The Adviser's investment strategies and/or investment techniques may not work as intended.

Small and Medium Cap Company Risk: Securities of companies with small and medium market capitalizations are often more volatile and less liquid than investments in larger companies. Small and medium cap companies may face a greater risk of business failure, which could increase the volatility of the Client's portfolio.

Turnover Risk: At times, the strategy may have a portfolio turnover rate that is higher than other strategies. A high portfolio turnover would result in correspondingly greater brokerage commission expenses and may result in the distribution of additional capital gains for tax purposes. These factors may negatively affect the account's performance.

Limited markets: Certain securities may be less liquid (harder to sell or buy) and their prices may at times be more volatile than at other times. Under certain market conditions, we may be unable to sell or liquidate investments at prices we consider reasonable or favorable or find buyers at any price.

Concentration Risk: Certain investment strategies focus on particular asset-classes, industries, sectors or types of investment. From time to time these strategies may be subject to greater risks of adverse developments in such areas of focus than a strategy that is more broadly diversified across a wider variety of investments.

Interest Rate Risk: Bond (fixed income) prices generally fall when interest rates rise, and the value may fall below par value or the principal investment. The opposite is also generally true: bond prices generally rise when interest rates fall. In general, fixed income securities with longer maturities are more sensitive to these price changes. Most other investments are also sensitive to the level and direction of interest rates.

Legal or Legislative Risk: Legislative changes or Court rulings may impact the value of investments, or the securities' claim on the issuer's assets and finances.

Inflation: Inflation may erode the buying power of your investment portfolio, even if the dollar value of your investments remains the same.

Risks Associated with Securities

Apart from the general risks outlined above which apply to all types of investments, specific securities may have other risks.

Common stocks may go up and down in price quite dramatically, and in the event of an issuer's bankruptcy or restructuring could lose all value. A slower-growth or recessionary economic environment could have an adverse effect on the price of all stocks.

Corporate Bonds are debt securities to borrow money. Generally, issuers pay investors periodic interest and repay the amount borrowed either periodically during the life of the security and/or at maturity. Alternatively, investors can purchase other debt securities, such as zero coupon bonds, which do not pay current interest, but rather are priced at a discount from their face values and their values accrete over time to face value at maturity. The market prices of debt

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securities fluctuate depending on factors such as interest rates, credit quality, and maturity. In general, market prices of debt securities decline when interest rates rise and increase when interest rates fall. The longer the time to a bond's maturity, the greater its interest rate risk.

Bank Obligations including bonds and certificates of deposit may be vulnerable to setbacks or panics in the banking industry. Banks and other financial institutions are greatly affected by interest rates and may be adversely affected by downturns in the U.S. and foreign economies or changes in banking regulations.

Municipal Bonds Municipal Bonds are debt obligations generally issued to obtain funds for various public purposes, including the construction of public facilities. Municipal bonds pay a lower rate of return than most other types of bonds. However, because of a municipal bond's tax-favored status, investors should compare the relative after-tax return to the after-tax return of other bonds, depending on the investor's tax bracket. Investing in municipal bonds carries the same general risks as investing in bonds in general. Those risks include interest rate risk, reinvestment risk, inflation risk, market risk, call or redemption risk, credit risk, and liquidity and valuation risk.

Options and other derivatives carry many unique risks, including time-sensitivity, and can result in the complete loss of principal. While covered call writing does provide a partial hedge to the stock against which the call is written, the hedge is limited to the amount of cash flow received when writing the option. When selling covered calls, there is a risk the underlying position may be called away at a price lower than the current market price.

Exchange Traded Funds prices may vary significantly from the Net Asset Value due to market conditions. Certain Exchange Traded Funds may not track underlying benchmarks as expected. ETFs are also subject to the following risks: (i) an ETF's shares may trade at a market price that is above or below their net asset value; (ii) the ETF may employ an investment strategy that utilizes high leverage ratios; or (iii) trading of an ETF's shares may be halted if the listing exchange's officials deem such action appropriate, the shares are delisted from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally. The Adviser has no control over the risks taken by the underlying funds in which the Clients invest.

Mutual Funds When a Client invests in open-end mutual funds or ETFs, the Client indirectly bears its proportionate share of any fees and expenses payable directly by those funds. Therefore, the Client will incur higher expenses, many of which may be duplicative. In addition, the Client's overall portfolio may be affected by losses of an underlying fund and the level of risk arising from the investment practices of an underlying fund (such as the use of derivatives).

Alternative Investments: Hedge funds, commodity pools, Real Estate Investment Trusts (REITs), Business Development Companies (BDCs), and other alternative investments involve a high degree of risk and can be illiquid due to restrictions on transfer and lack of a secondary trading market. They can be highly leveraged, speculative and volatile, and an investor could lose all or a substantial amount of an investment. Alternative investments may lack transparency as to share price, valuation, and portfolio holdings. Complex tax

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structures often result in delayed tax reporting. Compared to mutual funds, hedge funds and other alternative investments are subject to less regulation and often charge higher fees and may require "capital calls" which would require additional investment. Alternative investment managers typically exercise broad investment discretion and may apply similar strategies across multiple investment vehicles, resulting in less diversification.

Crypto Assets are highly speculative and involve a high degree of risk. Investments in crypto assets are extremely volatile in nature and can have higher volatility than other traditional investments such as stocks and bonds, and market movements can be difficult to predict. The value of crypto assets can change constantly and dramatically in short time frames. Investors should be prepared for volatile market swings. As a result, there is a significant risk of loss of your entire principal investment. Interests should not be purchased by any person who cannot afford the loss of their entire investment. Due to the high price volatility gains or losses are unpredictable and there can be no guarantee of returns. Transactions in crypto assets may be irreversible, and, accordingly, losses due to fraudulent or accidental transactions may not be recoverable.

Crypto assets can differ significantly depending on the price source or otherwise due to factors including, but not limited to, market fragmentation, unregulated markets, illiquidity and volatility. There is no guarantee that a client will be able to achieve a better than average market price for crypto assets or will purchase crypto assets at the most favorable price available.

In additional to traditional market price risk factors such as inflation, interest rates, market, and other political or economic events, the price of crypto assets may be affected by a wide variety of additional complex factors including supply and demand as well as access to crypto asset service providers, exchanges, miners, and market participants.

Crypto assets may be considered securities and therefore subject to the same regulatory requirements as SEC registered securities, exchange-traded funds, or similar investment vehicles. There can be no assurance that crypto asset investments will not be adversely affected by increases in regulatory activity concerning particular tokens or token exchanges or trading platforms. Regulatory agencies and/or the constructs responsible for oversight of a crypto asset or a crypto asset network may not be fully developed and subject to change. Regulators may adopt laws, regulations, policies or rules directly or indirectly affecting crypto assets their treatment, transacting, custody, and valuation. Regulatory actions could negatively impact crypto assets in various ways, including, for example, through a determination that one or more crypto assets are deemed regulated financial instruments or securities that require registration or licensing.

Any liquidity may be limited or disrupted, and there can be no guarantees on the ability to sell or exchange crypto assets at any price. It is also possible that regulatory agencies may then consider certain crypto asset trading being conducted as unlawfully under interpretations of existing law and may take action at any time to freeze or stop crypto assets from being released or traded.

Exchanges can stop operating due to

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security breaches, fraud, insolvency, market manipulation, market surveillance, KYC/AML procedures, non-compliance with applicable rules and regulations, technical glitches, hackers, malware or other reasons; blockchain technology is a relatively new and untested technology which operates as a distributed ledger. Blockchain systems could be subject to internet connectivity disruptions, consensus failures or cybersecurity attacks, and the date or time that you initiate a transaction may be different than when it is recorded on the blockchain.

Crypto asset holdings are not considered legal tender and are not insured by the government like U.S. bank deposits and therefore, you don't have the same protections as a bank account. Unlike most traditional currencies, such as the U.S. dollar, the value of a crypto asset is not tied to promises by a government or a central bank. crypto asset investments are not insured. There is currently no regulation or standard auditing practice of accounts holding crypto assets to verify ownership. There are counterparty and custody risks associated with crypto assets including loss or theft of the crypto asset. The organizations offering custody services for crypto asset are likely to be much less liable or secure than more common custodians due to their lack of regulatory experience. In general, crypto assets cannot be held in custody by US broker-dealers. Therefore, under the Advisers Act, as an SEC registered investment adviser, we are required to use a "qualified custodian" that is suitably licensed to maintain client assets in separate accounts in their own name. Theft is less likely when holding crypto assets at a qualified custodian in offline systems (cold storage) with institutional security and controls.

Crypto assets exist as computer-coded entries on a digital ledger, or blockchain, visible to and verifiable by nodes. Ownership is reflected in a string of numbers on a distributed ledger, accessible only by a public key and a private key in "wallets".

To satisfy regulatory requirements, a custodian could hold a "private key" and a "public key" to the crypto asset. A custodian can maintain private keys in digital form on a computer hard drive unconnected from the internet and protected by layers of cybersecurity. Or, the custodian can maintain and secure the private key in a "cold wallet" by, for example, locking it in a physical vault. In any event, the technology used for safeguarding crypto assets is emerging. crypto assets are essentially bearer assets.

In general, anyone who obtains possession of the private key can, in theory, misappropriate the asset, no matter where the private key is maintained. The custodian may periodically store crypto assets in "hot wallets" which are connected to the internet to facilitate transactions in. crypto assets stored in "hot wallets" may be more susceptible to theft or compromise than crypto assets stored in other digital wallets. There can be no assurance the crypto assets storage process will not be compromised. In order to help mitigate this conflict of interest, our firm will only recommend that clients invest in crypto assets when appropriate and if they are willing to accept the risks associated and require clients to sign a risk acknowledgment form prior to participating in the investment.

Item 9: Disciplinary Information

Criminal or Civil Actions

401 Financial and its management have not been involved in any criminal or civil action.

Administrative Enforcement Proceedings

401 Financial and its management have not been involved in administrative enforcement proceedings.

Self-Regulatory Organization Enforcement Proceedings

401 Financial and its management have not been involved in legal or disciplinary events that are material to a Client's or prospective Client's evaluation of 401 Financial or the integrity of its management.

Item 10: Other Financial Industry Activities and Affiliations

No 401 Financial employee is registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

No 401 Financial employee is registered, or have an application pending to register, as a futures commission merchant, commodity pool operator or a commodity trading advisor.

401 Financial does not have any related parties. As a result, we do not have a relationship with any related parties.

Tyrone Ross, Owner of 401 Financial, LLC, is an independent contractor with Nasdaq. This affiliation does not affect any investment decisions recommended to clients.

Tyrone Ross is the Founder of 401 STC, LLC through which he provides financial consulting services and participates in speaking engagements. This activity accounts for approximately 10 hours per month and 4 hours per month during trading hours. Mr. Ross also acts as a contractor with Nasdaq where he produces podcasts. This activity accounts for approximately 4 hours per month and 4 hours per month during trading hours.

401 Financial only receives compensation directly from Clients. We do not receive compensation from any outside source. We do not have any conflicts of interest with any outside party.

401 Financial does not select outside managers on behalf of clients.

Disclosure of Material Conflicts

All material conflicts of interest under CCR Section 260.238(k) are disclosed regarding 401 Financial, its representatives or any of its employees, which could be reasonably expected to impair the rendering of unbiased and objective advice.

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

As a fiduciary, our firm and its associates have a duty of utmost good faith to act solely in the best interests of each Client. Our Clients entrust us with their funds and personal information, which in turn places a high standard on our conduct and integrity. Our fiduciary duty is a core aspect of our Code of Ethics and represents the expected basis of all of our dealings. The firm also accepts the obligation not only to comply with the mandates and requirements of all applicable laws and regulations but also to take responsibility to act in an ethical and professionally responsible manner in all professional services and activities.

Code of Ethics Description

This code does not attempt to identify all possible conflicts of interest, and literal compliance with each of its specific provisions will not shield associated persons from liability for personal trading or other conduct that violates a fiduciary duty to advisory Clients. A summary of the Code of Ethics' Principles is outlined below.

- **Integrity** - Associated persons shall offer and provide professional services with integrity.
- **Objectivity** - Associated persons shall be objective in providing professional services to Clients.
- **Competence** - Associated persons shall provide services to Clients competently and maintain the necessary knowledge and skill to continue to do so in those areas in which they are engaged.
- **Fairness** - Associated persons shall perform professional services in a manner that is fair and reasonable to Clients, principals, partners, and employers, and shall disclose conflict(s) of interest in providing such services.
- **Confidentiality** - Associated persons shall not disclose confidential Client information without the specific consent of the Client unless in response to proper legal process, or as required by law.
- **Professionalism** - Associated persons' conduct in all matters shall reflect the credit of the profession.
- **Diligence** - Associated persons shall act diligently in providing professional services.

We maintain a Code of Ethics, and we require all firm access persons to attest to their understanding of and adherence to the Code of Ethics at least annually. Our firm will provide a copy of its Code of Ethics to any Client or prospective Client upon request.

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

Investment Recommendations Involving a Material Financial Interest and Conflicts of Interest

Neither our firm, its associates or any related person is authorized to recommend to a Client or effect a transaction for a Client, involving any security in which our firm or a related person has a material financial interest, such as in the capacity as an underwriter, adviser to the issuer, etc.

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

Our firm and its "related persons" may buy or sell securities similar to, or different from, those we recommend to Clients for their accounts. In an effort to reduce or eliminate certain conflicts of interest involving the firm or personal trading, our policy may require that we restrict or prohibit associates' transactions in specific reportable securities transactions. Any exceptions or trading pre-clearance must be approved by the firm principal in advance of the transaction in an account, and we maintain the required personal securities transaction records per regulation.

Trading Securities At/Around the Same Time as Client's Securities

From time to time, our firm or its "related persons" may buy or sell securities for themselves at or around the same time as Clients.

Item 12: Brokerage Practices

Factors Used to Select Custodians and/or Broker-Dealers

401 Financial, LLC does not have any affiliation with Broker-Dealers. Specific custodian recommendations are made to the Client based on their need for such services. We recommend custodians based on the reputation and services provided by the firm.

1. Research and Other Soft-Dollar Benefits

We currently do not receive soft dollar benefits.

2. Brokerage for Client Referrals

We receive no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

3. Clients Directing Which Broker/Dealer/Custodian to Use

We do recommend a specific custodian for Clients to use, however, Clients may custody their assets at a custodian of their choice. Clients may also direct us to use a specific broker-dealer to execute transactions. By allowing Clients to choose a specific custodian, we may be unable to achieve the most favorable execution of Client transaction and this may cost Clients money over using a lower-cost custodian.

The Custodian and Brokers We Use (Altruist)

For the benefit of no commissions or transaction fees, fully digital account opening, a large variety of security options and complete integration with software tools, 401 Financial recommends Altruist Financial LLC, an unaffiliated SEC-registered broker dealer and FINRA/SIPC member, as the introducing broker to Apex Clearing Corporation, an unaffiliated SEC-registered broker dealer and FINRA/SIPC member, as the clients' custodian. 401 Financial does not receive any research or other soft-dollar benefit by nature from its relationship with Altruist Financial LLC, nor does 401 Financial receive any referrals in exchange for using Altruist Financial LLC as a broker dealer.

Item 13: Review of Accounts

Client accounts with the Investment Management Service will be reviewed regularly on a quarterly basis by Erik Smith, CCO and CIO. The account is reviewed with regards to the Client's investment policies and risk tolerance levels. Events that may trigger a special review would be unusual performance, addition or deletions of Client imposed restrictions, excessive draw-down, volatility in performance, or buy and sell decisions from the firm or per Client's needs.

Discretionary Clients will receive trade confirmations from the broker(s) for each transaction in their accounts as well as monthly or quarterly statements and annual tax reporting statements from their custodian showing all activity in the accounts, such as receipt of dividends and interest.

401 Financial will provide verbal reports to Investment Advisory Clients on a periodic basis. We urge Clients to compare these reports against the account statements they receive from their custodian.

Item 14: Client Referrals and Other Compensation

We do not receive any economic benefit, directly or indirectly, from any third party for advice rendered to our Clients. Nor do we, directly or indirectly, compensate any person who is not advisory personnel for Client referrals.

Item 15: Custody

401 Financial does not accept custody of Client funds.

Clients should receive at least quarterly statements from the broker-dealer, bank or other qualified custodian that holds and maintains Client's investment assets. We urge you to carefully review such statements and compare such official custodial records to the account statements or reports that we may provide to you. Our statements or reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

401 Financial accepts payment directly from the client through certain electronic payment services such as Stripe.

Item 16: Investment Discretion

For those Client accounts where we provide Investment Management Services, we maintain discretion over Client accounts with respect to securities to be bought and sold and the amount of securities to be bought and sold.

Investment discretion is explained to Clients in detail when an advisory relationship has commenced. At the start of a discretionary advisory relationship, the Client will execute a Limited Power of Attorney, which will grant our firm discretion over the account. Additionally, the discretionary relationship will be outlined in the advisory contract and signed by the Client.

Item 17: Voting Client Securities

We do not vote Client proxies. Therefore, Clients maintain exclusive responsibility for: (1) voting proxies, and (2) acting on corporate actions pertaining to the Client's investment assets. The Client shall instruct the Client's qualified custodian to forward to the Client copies of all proxies and shareholder communications relating to the Client's investment assets. If the Client would like our opinion on a particular proxy vote, they may contact us at the number listed on the cover of this brochure.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward you any electronic solicitation to vote proxies.

Item 18: Financial Information

Registered Investment Advisers are required in this Item to provide you with certain financial information or disclosures about our financial condition. We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to Clients, and we have not been the subject of a bankruptcy proceeding.

We do not have custody of Client funds or securities or require or solicit prepayment of more than $500 in fees per Client six months in advance.

Item 19: Requirements for State-Registered Advisers

Education and Background

The education and business backgrounds of 401 Financials' current management persons, Tyrone Ross and Erik Smith, can be found in the Form ADV Part 2B brochure supplements for each individual.

Other Business Activities

Other business activities for each relevant individual can be found in the Form ADV Part 2B brochure supplement for each such individual.

Supervision

Erik Smith, as Chief Investment Officer and Chief Compliance Officer of 401 Financial, is responsible for supervision. He may be contacted at the phone number on this brochure supplement.

Material Relationships That Management Persons Have With Issuers of Securities

401 Financial, LLC does not have any relationship or arrangement with issuers of securities.

Additional Compensation

401 Financial, LLC and its management persons do not receive any economic benefit from any person, company, or organization, in exchange for providing Clients advisory services through 401 Financial.

Performance-Based Fees

401 Financial, LLC is not compensated by performance-based fees.

Material Disciplinary Disclosures

No management person at 401 Financial, LLC has ever been involved in an arbitration claim of any kind or been found liable in a civil, self-regulatory organization, or administrative proceeding.

Requirements for State Registered Advisers

401 Financial, LLC and its management persons have not been involved in an arbitration, civil proceeding, self-regulatory proceeding, administrative proceeding, or a bankruptcy petition.

Conflicts of Interest

Pursuant to California Code of Regulations Section 260.238 (k) any material conflicts of interest regarding the investment adviser, its representatives or any of its employees are disclosed to the Client prior to entering into any Advisory or Financial Planning Agreement.

Business Continuity Plan

401 Financial maintains a written Business Continuity Plan that identifies procedures related to an emergency or significant business disruptions, including the death of the investment adviser or any of its representatives.

Brochure Supplement:
Educational Background
and Business Experience

Erik Smith

Chief Investment Officer, and Chief Compliance Officer

This brochure supplement provides information about Erik Smith that supplements the 401 Financial, LLC ("401 Financial") brochure. A copy of that brochure precedes this supplement. Please contact Erik Smith if the 401 Financial brochure is not included with this supplement or if you have any questions about the contents of this supplement.

Additional information about Erik Smith is available on the SEC's website at www.adviserinfo.sec.gov which can be found using the identification number 7221722.

Born:

1992

Educational Background

- 2014 – Bachelors of Science, Major in Accounting, Iowa State University

Business Experience

- 06/2022 – Present, 401 Financial, LLC, Chief Investment Officer and CCO
- 10/2021 – 05/2022, Onramp, Vice President of Customer Success
- 02/2020 –10/2021, Roell Capital Management, Financial Planner
- 04/2019 – 02/2020, US Bank, Hedge Fund Accountant
- 08/2015 – 04/2019, Principal, Fund Accountant

Professional Designations, Licensing & Exams

CFP (Certified Financial Planner)®: The CERTIFIED FINANCIAL PL ANNER™, 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 71,000 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;

Erik Smith

Chief Investment Officer, and Chief Compliance Officer

- **Examination** – Pass the comprehensive CFP® Certification Examination. The examination 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.

Item 3: Disciplinary Information

No management person at 401 Financial, LLC has ever been involved in an arbitration claim of any kind or been found liable in a civil, self-regulatory organization, or administrative proceeding.

Item 4: Other Business Activities

Erik Smith is not currently involved in any outside business activities.

Item 5: Additional Compensation

Erik Smith does not receive any economic benefit from any person, company, or organization, in exchange for providing Clients advisory services through 401 Financial.

Item 6: Supervision

Erik Smith, as Chief Investment Officer and Chief Compliance Officer of 401 Financial, is responsible for supervision. He may be contacted at the phone number on this brochure supplement.

Item 7: Requirements for State Registered Advisers

Erik Smith has NOT been involved in an arbitration, civil proceeding, self-regulatory proceeding, administrative proceeding, or a bankruptcy petition.

Tyrone Ross

Owner

This brochure supplement provides information about Tyrone Ross that supplements the 401 Financial, LLC ("401 Financial") brochure. A copy of that brochure precedes this supplement. Please contact Tyrone Ross if the 401 Financial brochure is not included with this supplement or if you have any questions about the contents of this supplement.

Additional information about Tyrone Ross is available on the SEC's website at www.adviserinfo.sec.gov which can be found using the identification number 5704579.

Born:

1979

Educational Background

- 2002 – Communications, Seton Hall University

Business Experience

- 05/2022 – Present, 401 Financial, LLC, Owner
- 08/2020 – 03/2022, Onramp, CEO
- 07/2019 –08/2020, Altruist, Podcast Host
- 12/2019 – 07/2020, Eaglebrook Advisors Inc., Investment Adviser Representative
- 07/2017 – 07/2019, NobleBridge Wealth Management, LLC, Investment Adviser Representative

Item 3: Disciplinary Information

No management person at 401 Financial, LLC has ever been involved in an arbitration claim of any kind or been found liable in a civil, self-regulatory organization, or administrative proceeding.

Item 4: Other Business Activities

Tyrone Ross is the Founder of 401 STC, LLC through which he provides financial consulting services and participates in speaking engagements. This activity accounts for approximately 10 hours per month and 4 hours per month during trading hours. Mr. Ross also acts as a contractor with Coindesk where he produces podcasts, hosts events, and participates in conference development. This activity accounts for approximately 4 hours per month and 4 hours per month during trading hours.

Item 5: Additional Compensation

Tyrone Ross does not receive any economic benefit from any person, company, or organization, in exchange for providing Clients advisory services through 401 Financial.

Item 6: Supervision

Erik Smith, as Chief Investment Officer and Chief Compliance Officer of 401 Financial, is responsible for supervision. He may be contacted at the phone number on this brochure supplement.

Item 7: Requirements for State Registered Advisers

Tyrone Ross has NOT been involved in an arbitration, civil proceeding, self-regulatory proceeding, administrative proceeding, or a bankruptcy petition.

Thank you

If you have any questions about the contents of this Brochure, please contact us at (732) 965-3791 or team@401financial.co

Additional information about 401 Financial is available on the SEC's website at www.adviserinfo.sec.gov, which can be found using the firm's identification number, 321.