

The Nalls Sherbakoff Group, LLC

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FORM ADV PART 2A BROCHURE

This brochure provides information about the qualifications and business practices of The Nalls Sherbakoff Group, LLC. If you have any questions about the contents of this brochure, please contact us at 865-691-0898. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about The Nalls Sherbakoff Group, LLC is available on the SEC's website at www.adviserinfo.sec.gov.

The Nalls Sherbakoff Group, LLC is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Item 2 Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Annually, we will ensure that you receive either an amended brochure or a summary of any material changes to this and any subsequent Brochure within 120 days of the end of our fiscal year and promptly at any time if any of the information herein becomes materially inaccurate. We will deliver a complete copy of our Brochure upon your request at any time during the year.

The material changes to our Brochure since our last filed version are as follows:

We have revised the services we provide (Item 4) and fees charged for those services (Item 5). Please review Items 4 and 5 for additional details.

We have revised Item 5 to indicate that our total annual fee for web-based portfolio management services provided through Betterment, LLC ("Betterment") consists of a base amount for services provided by us (the "Y+S Advisory Fee") plus an amount charged to us by Betterment (the "Betterment Wrap Fee"). This total annual fee is billed and payable quarterly in arrears based on the household average daily account balance during the quarter. Please see Item 5 for more details.

We have revised Item 17 to indicate that for accounts managed by Betterment, Betterment will receive and vote all proxies and related materials for any security held in the account pursuant to the authority delegated to Betterment by you in Betterment's separate agreement. Please see Item 17 for more details.

If you have any questions about this change, please contact Michelle Waymire, at the phone number listed on the cover page of this Disclosure Brochure.

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Item 4 Advisory Business

Description of Services and Fees

The Nalls Sherbakoff Group, LLC is a registered investment adviser primarily based in Knoxville, TN, with another office location in the State of Georgia. We are organized as a limited liability company under the laws of the State of Tennessee. We have been providing investment advisory services since 2013, and Donald Nalls is our firm's principal owner. Currently, we offer the investment advisory services disclosed below from our Georgia-based branch office, which are personalized to each individual client.

The following paragraphs describe our services and fees. Please refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. As used in this brochure, the words "we", "our" and "us" refer to The Nalls Sherbakoff Group, LLC and the words "you", "your" and "client" refer to you as either a client or prospective client of our firm. The use of these terms is not intended to imply that there is more than one individual associated with this firm.

Financial Planning and Consulting Services

We offer financial planning and consulting services which typically involve providing a variety of advisory services to clients regarding the management of their financial resources based upon an analysis of their individual needs. All our advisory engagements consist of an on-boarding process whereby we meet with you to determine your specific needs, investment objectives, risk tolerance, and other relevant information at the beginning of our advisory relationship. Such advisory services are offered under the following engagements:

Financial Planning. These services provide clients with a roadmap of how to handle their finances. We offer a number of financial planning packages tailored towards a wide array of needs:

Comprehensive Financial Planning

The Y+S Comprehensive Financial Plan provides clients with a comprehensive snapshot and action plan for their financial life, as well as implementation support for one year.

In the first year of service, comprehensive financial planning includes:

- An initial in-depth consultation to determine client goals, objectives, and current financial state
- A discussion on what clients want retirement to look like, an analysis of how much it will cost, and the action steps necessary to get there
- A discussion of short- and medium-term goals and how to plan for them while also saving for retirement
- An optimization of client future Social Security filing strategy
- An recommended investment allocation to make sure clients' long-term money is in the right place
- An analysis of clients' current spending habits and financial strategy
- Assistance with combining finances or planning for joint savings goals
- An easy-to-implement budget that doesn't involve ongoing tracking, as well as suggested methods for implementing and sticking to it
- Assistance with establishing and automating savings and retirement goals
- An optimized schedule for paying down debt
- An in-depth analysis of any student debt, including various repayment scenarios, loan forgiveness programs, and refinancing options

- A deep dive on clients' credit report to highlight areas for improvement
- An analysis of current life insurance and estate planning coverage
- Recommendations for maximizing current employer benefits
- A comprehensive summary doc of the Comprehensive Financial Plan
- A one-page Financial Action Plan checklist
- Quarterly coaching meetings to provide support, accountability, and ongoing education once the plan has been finalized

After the first year of service, if you decide to sign an agreement to continue our relationship, comprehensive financial planning includes,

- An annual review of clients' financial plan, including progress towards financial goals, discussion of updated goals, and reassessment of risk tolerance and behavioral biases
- My expertise on call, as needed to help clients handle transitions such as:
 - Job changes
 - Big purchases such as a house, car, or rental property
 - Starting or growing a family
 - Open enrollment season / changes to employer benefits
 - Transitioning between completed and new savings goals
 - Troubleshooting financial stress or challenges
 - Feedback on financial decisions such as switching banks or opening new credit cards
- Ongoing referrals to CPAs, bookkeepers, estate planners, insurance providers, real estate agents, mortgage brokers, and any other issues outside my area of expertise. Clients are not obligated to follow these recommendations and are free to contract with any providers. We do not provide, and no statement contained herein shall constitute, tax, insurance or legal advice. You should consult a tax, insurance or legal professional on any such matters.

Hourly Financial Planning

For financial questions that don't fit into one of our other service packages, we offer custom hourly financial planning services.

Financial Coaching. Young + Scrappy Financial Coaching is a one-on-one coaching program for individuals, couples, and small business owners. It provides clients with a structured roadmap to help them establish their financial goals, as well as the education and support to keep them accountable along the way.

Full Service Financial Coaching:

Financial coaching is a monthly, one-on-one engagement that provides clients with education and accountability. This service includes:

- 2 hour-long phone, video chat, or in-person meetings per month, with easy online scheduling
- A structured roadmap to help them prioritize their financial goals and systematically tackle those goals
- Support to keep clients accountable along the way.
- Unlimited email support, in case they have questions or need assistance in between sessions
- Email alerts and reminders about actions they've committed to taking, in order to help them stay on track

Corporate Financial Literacy Seminars and Speaking Engagements. We may provide seminars on an “as announced” basis for groups seeking general advice on personal finance-related topics. The content of these seminars will vary depending upon the needs of the attendees. These seminars are purely educational in nature and do not involve the sale of any investment products. Information presented will not be based on any individual’s person’s need, nor does the Nalls Sherbakoff Group, LLC provide individualized investment advice to attendees during these seminars.

Our advisory services are rendered based on the financial information you provide to us. You must promptly notify our firm if your financial situation, goals, objectives, or needs change. Clients are under no obligation to act on our financial planning recommendations. Should you choose to act on any of our recommendations, you are not obligated to implement the financial plan through any of our other investment advisory services. Moreover, you may act on our recommendations by placing securities transactions with any brokerage firm.

Traditional Portfolio Management Services (Financial Advising) - Schwab Platform

Our firm offers portfolio management services for clients that consist of ongoing financial advice and discretionary and/or non-discretionary portfolio management services where investment advice is tailored to meet your individual circumstances and investment objectives. These services include an initial discovery consultation, ongoing review consultations, as may be agreed, to discuss your unique financial situation and changing needs over time. We will ask that you complete certain investor questionnaires, on-boarding forms, and/or other documents to assist us in gathering information about your financial needs and circumstances. This would include your investment experience, investment objectives, time horizon, liquidity needs, risk tolerance, tax circumstances, and various other financial factors necessary for us to develop a complete investor profile.

This service is designed for people looking for more traditional, ongoing investment advisory services. As part of these services, we will use the information we gather from you to develop a strategy that enables our firm to give you continuous and focused investment advice and/or to make investments on your behalf. Once we construct an investment portfolio for you, we will monitor your portfolio's performance on an ongoing basis, and will rebalance (or recommend to rebalance) the portfolio as required by changes in market conditions and in your financial circumstances. Clients are required to notify our firm immediately if their financial circumstances and/or investment objectives change from what has already been disclosed to our firm.

If you participate in our discretionary portfolio management services, we require you to grant our firm discretionary authority to manage your account. Discretionary authorization will allow us to determine the specific securities, and the amount of securities, to be purchased or sold for your account without your approval prior to each transaction. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm and the appropriate trading authorization forms. You may limit our discretionary authority (for example, limiting the types of securities that can be purchased for your account) by providing our firm with your restrictions and guidelines in writing. If you enter into nondiscretionary arrangements with our firm, we will obtain your approval prior to executing any transactions on behalf of your account.

Web-Based Portfolio Management Services - Betterment Platform

We have partnered with Betterment LLC ("Betterment"), a registered investment adviser, to offer portfolio management services through the Betterment Institutional online platform. This Program allows you to create and/or choose portfolios offering a range of managed investment strategies consisting of various asset classes. Managed portfolios will be comprised of a select number of exchange traded funds ("ETFs") within a particular asset class.

We will assist you in selecting your investments based on your risk profile. Betterment will then manage your portfolio on a discretionary basis. You will separately enter an agreement with Betterment granting them discretionary authorization to buy and sell, when to buy and sell, and in what amounts, in accordance with your investment parameters without obtaining your prior consent or approval for each transaction. We will be available to answer any ongoing questions regarding the program or the portfolio. Since you enter into a discretionary arrangement with our firm, we cannot execute transactions on behalf of your account without your approval. You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

General Disclosures

We do not participate in a wrap fee program. For information on the investment strategies, our methods of analysis, and how we might manage your account(s), please see Item 8 (*Methods of Analysis, Investment Strategies and Risk of Loss* section) of this Disclosure Brochure. For information on the different types of management authority we offer under our portfolio management services, please see Item 16 (*Investment Discretion* section) of this Disclosure Brochure.

Assets Under Management

As of February 22, 2019, we provide continuous management services for \$176,555,732 in client assets on a discretionary basis, and \$3,824,124 in client assets on a non-discretionary basis.

Item 5 Fees and Compensation

Financial Planning and Consulting Services

Our advisory fees for each respective engagement are as follows:

Y+S Comprehensive Financial Plan. Comprehensive Financial Planning consists of an ongoing fee that is paid monthly, in advance, at the rate of \$50 - \$500 per month based on the complexity and needs of the client, the financial planning package chosen, and whether it is the client's first year of service. The fee may be negotiable in certain cases. Fees for this service may be paid by electronic funds transfer or check. You may terminate this engagement by providing written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the agreement, and any unearned fees that are paid in advance will be refunded to you. For monthly subscription billing, clients will typically be billed on the first day of every month, for a one-year period.

Y+S Hourly Financial Planning. The fee for hourly financial planning ranges from \$100-200 per hour depending on the length and complexity of the financial engagement. The fee for hourly work is due and payable in arrears within 7 days of the invoice date. You may terminate this engagement by providing written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the agreement, and any unearned fees that are paid in advance will be refunded to you.

Y+S Financial Coaching. The fee for the Y+S Financial Coaching engagement consists of an ongoing fee that is paid monthly, in advance, at the rate of \$100 - \$350 per month based on the complexity and needs of the client, and the financial coaching package chosen. This fee is due and payable in arrears within 7 days of the invoice date. You may terminate this engagement by providing written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the agreement, and any unearned fees that are paid in advance will be refunded to you. For monthly subscription billing, clients will typically be billed on the first day of every month, for a one-year period.

Corporate Financial Literacy Seminars and Speaking Engagements. Seminars are offered to organizations and the public on a variety of financial topics. Fees range from free to \$7,000 per seminar or free to \$3000 per participant. Half of the fees are due prior to the engagement, and the other half are to be paid the day of, no later than the conclusion of the Seminar. The fee range is based on the content, amount of research conducted, number of hours of preparation needed, and the number of attendees. In the event of inclement weather or a flight cancellation, the Speaker shall make all reasonable attempts to make alternative travel arrangements to arrive in time for the presentation. If travel proves impossible, or the event is otherwise cancelled, the Speaker's fee is waived, but the Client will still be responsible for reimbursement of any non-refundable travel expenses already incurred.

In the event that the Client decides to cancel or change the date of the event for any reason besides weather or similar unforeseen causes, the Client will still be responsible for reimbursement of any non-refundable travel expenses already incurred, and will provide payment for 25 % of the Speaker's fee if the cancellation occurs within 30 days of the event. In the event that the Speaker must cancel due to health or similar unforeseen circumstances, the Speaker will make all attempts to find a reasonable alternative engagement date and will absorb any incremental additional costs for obtaining alternative travel arrangements. If an alternative date cannot be obtained, the Client will not be responsible for any travel costs already incurred by the Speaker or any portion of the Speaker's fee.

You may terminate our engagement by providing written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the agreement.

Traditional Portfolio Management Services (Financial Advising) - Schwab Platform

Our annual fee for portfolio management services is based on a percentage of the assets in your account and ranges up to 1.00% of the value of your account. This fee is payable quarterly in arrears based on the value of your account on the last day of the quarter. If the portfolio management agreement is executed at any time other than the first day of a calendar quarter, our fees will apply on a pro rata basis, which means that the advisory fee is payable in proportion to the number of days in the quarter for which you are a client. Our advisory fee is negotiable, depending on individual client circumstances. If you have more than \$250,000 in assets under management, this fee includes comprehensive financial planning services, which will be disclosed in a separate agreement.

If you engage our firm for Traditional Portfolio Management Services, you will be required to establish a custodial account with Charles Schwab & Co., Inc. (Schwab). Generally, we require that you have a minimum account size of \$10,000 to open and establish an account with Schwab. In limited circumstances and in our sole discretion, we may lower this account requirement. Please see Item 12 of this Disclosure Brochure for more information on Schwab.

Unless we agree to invoice you, we will deduct our fee directly from your account through the qualified custodian holding your funds and securities. We will deduct our advisory fee only when you have given our firm written authorization permitting the fees to be paid directly from your account. Further, the qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account. You should review all statements for accuracy.

You may terminate the portfolio management agreement upon written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the portfolio management agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client.

Web-Based Portfolio Management Services - Betterment Platform

Our total annual fee for web-based portfolio management services consists of a base amount for services provided by us (the “Y+S Advisory Fee”) plus an amount charged to us by Betterment (the “Betterment Wrap Fee”). On an annualized basis the Y+S Advisory Fee is equal to 0.50% of the value of the assets in your account we manage. If you have more than \$250,000 in assets under management, the Y+S Advisory Fee includes comprehensive financial planning services, which will be disclosed in a separate agreement.

Betterment charges a single wrap fee for all services Betterment and Betterment Securities (collectively, “Betterment”) perform for you. The Betterment Wrap Fee is an annual 0.25% on the first \$2,000,000 of your household average daily account balance during the quarter and .15% per annum on any portion of your household average daily account balance above \$2,000,000 during the quarter. The Betterment Wrap Fee is governed by a separate agreement between you and Betterment. The total annual portfolio management fee is billed and payable quarterly in arrears based on the household average daily account balance during the quarter. If the management agreement is executed at any time other than the first day of a calendar quarter, our fees will apply on a pro rata basis, which means that the advisory fee is payable in proportion to the number of days in the quarter for which you are a client. Our advisory fee is negotiable, depending on individual client circumstances.

Generally, we require that you have a minimum account size of \$500 to open and establish an account on the Betterment platform. In limited circumstances and in our sole discretion, we may lower this account requirement. Please see Item 12 of this Disclosure Brochure for more information on Betterment.

You may terminate the portfolio management agreement upon written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the portfolio management agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client. Please refer to your agreement with Betterment along with Betterment's disclosure brochure for specific information on how you may terminate your advisory relationship with them, along with other terms of the engagement. You should contact Betterment directly for questions regarding your advisory agreement with Betterment.

Additional Fees and Expenses

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. You will also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, please refer to the *Brokerage Practices* section of this brochure.

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

We do not accept performance-based fees or participate in side-by-side management. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Our fees are calculated as described in the *Advisory Business* section above, and are not

charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

Item 7 Types of Clients

We primarily offer investment advisory services to individuals, but also may work with trusts, estates, charitable organizations, corporations, and other business entities, among others.

In general, we require a minimum account size of \$10,000 and \$500 for accounts established with Schwab and Betterment, respectively. In our sole discretion, we may lower the minimum account requirement.

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

Our Methods of Analysis and Investment Strategies

We may use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

Fundamental Analysis - involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company and its industry. The resulting data is used to measure the true value of the company's stock compared to the current market value.

Risk: The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

Technical Analysis - involves studying past price patterns, trends, and interrelationships in the financial markets to assess risk-adjusted performance and predict the direction of both the overall market and specific securities.

Risk: The risk of market timing based on technical analysis is that our analysis may not accurately detect anomalies or predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

Cyclical Analysis - a type of technical analysis that involves evaluating recurring price patterns and trends. Economic/business cycles may not be predictable and may have many fluctuations between long term expansions and contractions.

Risk: The lengths of economic cycles may be difficult to predict with accuracy and therefore the risk of cyclical analysis is the difficulty in predicting economic trends and consequently the changing value of securities that would be affected by these changing trends.

Long-Term Purchases - securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

Risk: Using a long-term purchase strategy generally assumes the financial markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market that you are invested in or perhaps just your particular investment will go down over time even if the overall financial markets advance. Purchasing investments long-term may create an opportunity cost - "locking-up" assets that may be better utilized in the short-term in other investments.

Option Writing - a securities transaction that involves selling an option. An option is the right, but not the obligation, to buy or sell a particular security at a specified price before the expiration date of the option. When an investor sells an option, he or she must deliver to the buyer a specified number of shares if the buyer exercises the option. The seller pays the buyer a premium (the market price of the option at a particular time) in exchange for writing the option.

Risk: Options are complex investments and can be very risky, especially if the investor does not own the underlying stock. In certain situations, an investor's risk can be unlimited.

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio.

Tax Considerations

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you consult with a tax professional prior to and throughout the investing of your assets.

Moreover, as a result of revised IRS regulations, custodians and broker-dealers will begin reporting the cost basis of equities acquired in client accounts on or after January 1, 2011. Your custodian will default to the FIFO (First-In First-Out) accounting method for calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, please provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Please note that decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

Risk of Loss

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

Recommendation of Particular Types of Securities

As disclosed under the *Advisory Business* section in this brochure, we primarily offer advice on equity securities, corporate debt securities, mutual funds, and exchange traded funds (ETFs). However, we may recommend other types of investments as appropriate for you since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it.

Bonds: Corporate debt securities (or "bonds") are typically safer investments than equity securities, but their risk can also vary widely based on: the financial health of the issuer; the risk that the issuer might default; when the bond is set to mature; and, whether or not the bond can be "called" prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same rate of return.

Stocks: There are numerous ways of measuring the risk of equity securities (also known simply as "equities" or "stock"). In very broad terms, the value of a stock depends on the financial health of the company issuing it. However, stock prices can be affected by many other factors including, but not limited to: the class of stock (for example, preferred or common); the health of the market sector of the issuing company; and, the overall health of the economy. In general, larger, more well established companies ("large cap") tend to be safer than smaller start-up companies ("small cap") but the mere size of an issuer is not, by itself, an indicator of the safety of the investment.

Mutual Funds and ETFs: Mutual funds and exchange traded funds (ETFs) are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, shortterm money market instruments, other mutual funds, other securities or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds and ETFs generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. Exchange traded funds differ from mutual funds since they can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. The returns on mutual funds and ETFs can be reduced by the costs to manage the funds. Also, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, the fund, other types of mutual funds do charge such fees which can also reduce returns. Mutual funds can also be "closed end" or "open end". Socalled "open end" mutual funds continue to allow in new investors indefinitely whereas "closed end" funds have a fixed number of shares to sell which can limit their availability to new investors.

Item 9 Disciplinary Information

The Nalls Sherbakoff Group, LLC has been registered and providing investment advisory services since 2013. Neither our firm nor any of our management persons has any reportable disciplinary information.

Item 10 Other Financial Industry Activities and Affiliations

We have not provided information on other financial industry activities and affiliations because we do not have any relationship or arrangement that is material to our advisory business or to our clients with any of the types of entities listed below.

1. broker-dealer, municipal securities dealer, or government securities dealer or broker .
2. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund).
3. other investment adviser or financial planner.
4. futures commission merchant, commodity pool operator, or commodity trading advisor.
5. banking or thrift institution.
6. accountant or accounting firm.
7. lawyer or law firm.
8. insurance company or agency.
9. pension consultant.
10. real estate broker or dealer.
11. sponsor or syndicator of limited partnerships.

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

Description of Our Code of Ethics

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for persons associated with our firm. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All persons associated with our firm are expected to adhere strictly to these guidelines. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

Participation or Interest in Client Transactions

Neither our firm nor any persons associated with our firm has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this brochure.

Personal Trading Practices

Our firm or persons associated with our firm may buy or sell the same securities that we recommend to you or securities in which you are already invested. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To mitigate this conflict of interest, it is our policy that neither our firm nor persons associated with our firm shall have priority over your account in the purchase or sale of securities.

Item 12 Brokerage Practices

Managed Accounts with Charles Schwab & Co., Inc.

We recommend the brokerage and custodial services the Schwab Advisor Services division of Charles Schwab & Co., Inc. ("Schwab"), a securities broker-dealer and a member of the Securities Investor Protection Corporation. We believe that Schwab provides quality execution services for our clients at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the following factors:

- Ability to maintain the confidentiality of trading intentions
- Timeliness of execution
- Timeliness and accuracy of trade confirmations
- Liquidity of the securities traded
- Willingness to commit capital
- Allocation of limited investment opportunities
- Ability to place trades in difficult market environments
- Client direction
- Research services provided
- Execution facilitation services provided
- Record keeping services provided
- Custody services provided
- Frequency and correction of trading errors
- Ability to access a variety of market venues
- Expertise as it relates to specific securities
- Intermediary compensation (commissions and spreads)

- Client Referrals
- Financial condition
- Business reputation

In recognition of these factors, including the value of research services and additional brokerage products and services Schwab provides, you may pay higher commissions and/or trading costs than those that may be available elsewhere.

Schwab Research and Other Benefits

We are independently owned and operated and not affiliated with Schwab. Schwab provides us with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor's clients' assets are maintained in accounts at Schwab Advisor Services. Schwab's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For our client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

We believe that Schwab provides quality execution services for you at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided by Schwab, including the value of research provided, the firm's reputation, execution capabilities, commission rates, and responsiveness to our clients and our firm. In recognition of the value of research services and additional brokerage products and services Schwab provides, you may pay higher commissions and/or trading costs than those that may be available elsewhere.

Schwab Advisor Services makes available to us other products and services that benefit us but may not directly benefit our clients' accounts. Many of these products and services may be used to service all or some substantial number of our accounts, including accounts not maintained at Schwab. Schwab's products and services that assist us in managing and administering your' accounts include software and other technology that (i) provide access to your account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of our fees from your account; and (v) assist with back-office functions, recordkeeping and client reporting.

Schwab Advisor Services also offers other services intended to help us manage and further develop our business enterprise. These services may include: (i) compliance, legal and business consulting; (ii) publications and conferences on practice management and business succession; and (iii) access to employee benefits providers, human capital consultants and insurance providers. Schwab may make available, arrange, and/or pay third-party vendors for the types of services rendered to us. Schwab Advisor Services may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third party providing these services to us. Schwab Advisor Services may also provide other benefits such as educational events or occasional business entertainment to us.

The research, other products or services received benefit us because we do not pay for those benefits, and are considered soft dollar benefits. Such benefits are provided free of charge to us and other registered investment adviser's utilizing the custodial and brokerage services offered by Schwab. In recognition of the value of research services and additional brokerage products and services provided

by Schwab, you may pay higher commissions and/or trading costs than those that may be available elsewhere. Therefore, you should be aware that the receipt of economic benefits by our firm is a perceived conflict of interest as we may have an economic incentive to recommend a broker-dealer based on our interest in receiving research or other products or services, rather than based solely on your interest in receiving most favorable execution costs.

Managed Accounts with Betterment LLC

We do not maintain custody of your assets that we manage, although we may be deemed to have custody of your assets if you give us authority to withdraw advisory fees from your account (see Item 15—Custody, below). Your assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. We require that our clients use MTG, LLC dba Betterment Securities ("Betterment Securities"), a registered broker-dealer and member of the SIPC, as the qualified custodian. We are independently owned and operated and are not affiliated with Betterment Securities. Betterment Securities will hold your assets in a brokerage account and buy and sell securities when we and/or you instruct them to. While we recommend that you use Betterment Securities as custodian/broker, you will decide whether to do so and will open your account with Betterment Securities by entering into an account agreement directly with them. We do not open the account for you, although we may assist you in doing so.

We seek to recommend a custodian/broker that will hold your assets and execute transactions on terms that are, overall, most advantageous when compared with other available providers and their services. We consider a wide range of factors, including:

- Capability to execute, clear, and settle trades (buy and sell securities for your account) itself or to facilitate such services.
- Capability to facilitate timely transfers and payments to and from accounts.
- Availability of investment research and tools that assist us in making investment decisions.
- Quality of services.
- Competitiveness of the price of those services and willingness to negotiate the prices.
- Reputation, financial strength, and stability.
- Prior service to us and our other clients.

For our clients' accounts that Betterment Securities maintains, Betterment Securities does not charge you separately for custody/brokerage services, but is compensated as part of the Betterment for Advisors platform fee, which is charged for a suite of platform services, including custody, brokerage, and sub-advisory services provided by Betterment and access to the Betterment for Advisors platform. The platform fee is an asset-based fee charged as a percentage of assets in your Betterment account (see disclosures under Item 5 of this Disclosure Brochure). For those Clients participating in the Betterment for Advisors platform, we have determined that having Betterment Securities execute trades is consistent with our duty to seek "best execution" of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above.

Betterment Securities serves as broker-dealer to Betterment for Advisors, an investment and advice platform serving independent investment advisory firms like us ("Betterment for Advisors"). Betterment for Advisors also makes available various support services which may not be available to Betterment's retail customers. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. Betterment for Advisors' support services are generally available on an unsolicited basis (we don't have to request them) and at no charge to us. Following is a more detailed description of Betterment for Advisors' support services:

Services that benefit you: Betterment for Advisors includes access to a globally diversified, lowcost portfolio of ETFs, execution of securities transactions, digital account opening, online portal access, and custody of client assets through Betterment Securities. In addition, a series of model portfolios

created by third-party providers are also available on the platform. Betterment Securities' services described in this paragraph generally benefit you and your account.

Services that may not directly benefit you. Betterment for Advisors also makes available to us other products and services that benefit us, but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts, such as software and technology that may:

- Assist with back-office functions, recordkeeping, and client reporting of our clients' accounts.
- Provide access to client account data (such as duplicate trade confirmations and account statements).
- Provide pricing and other market data.

Services that generally benefit only us. By using Betterment for Advisors, we may be offered other services intended to help us manage and further develop our business enterprise. These services may include:

- Consulting (including through webinars) on technology and business needs.
- Access to publications and conferences on practice management and business succession.

The availability of these services from Betterment for Advisors benefits us because we do not have to produce or purchase them. In addition, we do not have to pay for Betterment Securities' services. We may have an incentive to recommend that you maintain your account with Betterment Securities, based on our interest in receiving Betterment for Advisors and Betterment Securities' services that benefit our business. We believe that our selection of Betterment Securities as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Betterment Securities' services and not Betterment for Advisors and Betterment Securities' services that benefit only us or that may not directly benefit you.

When using the Betterment for Advisors platform, we and you are subject to the trading policies and procedures established by Betterment. These policies and procedures limit our ability to control, among other things, the timing of the execution of certain trades (including in response to withdrawals, deposits, or asset allocation changes) within your account. You should not expect that trading on Betterment is instant, and, accordingly, you should be aware that Betterment does not permit you or us to control the specific time during a day that securities are bought or sold in your account (i.e., to "time the market"). Betterment describes its trading policies in Betterment LLC's Form ADV Part 2A. As detailed in that document, Betterment generally trades on the same business day as it receives instructions from you or us. However, transactions will be subject to processing delays in certain circumstances. In particular, orders initiated on non-business days and after markets close generally will not transact until the next business day. Betterment also maintains a general approach of not placing securities orders during approximately the first thirty minutes after the opening of any market session. Betterment also generally stops placing orders arising from allocation changes in existing portfolios approximately thirty minutes before the close of any market session. Betterment continues placing orders associated with deposit and withdrawal requests until market close. Betterment maintains a general approach of not placing orders around the time of scheduled Federal Reserve interest rate announcements. Furthermore, Betterment may delay or manage trading in response to market instability. For further information, please consult Betterment LLC's Form ADV Part 2A.

Brokerage for Client Referrals

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

Directed Brokerage

We routinely recommend that you direct our firm to execute transactions through Schwab. As such, we may be unable to achieve the most favorable execution of your transactions and you may pay higher brokerage commissions than you might otherwise pay through another broker-dealer that offers the same types of services. Not all advisers require their clients to direct brokerage.

Block Trades

For managed accounts with Schwab, we may combine multiple orders for shares of the same securities purchased for discretionary advisory accounts we manage (this practice is commonly referred to as "block trading"). We will then distribute a portion of the shares to participating accounts in a fair and equitable manner. The distribution of the shares purchased is typically proportionate to the size of the account, but it is not based on account performance or the amount or structure of management fees. Subject to our discretion regarding factual and market conditions, when we combine orders, generally each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs. Commission rates paid by individual clients may vary based upon minimum ticket charges assessed by broker-dealers in which other services, such as custody of assets, are provided. Clients with household assets less than \$1 million may pay commission rates higher than rates paid by clients with household assets exceeding \$1 million due to special discounts, including flat rate commissions, provided by broker-dealer(s) for those clients with household assets in excess of \$1 million. Accounts owned by our firm or persons associated with our firm may participate in block trading with your accounts; however, they will not be given preferential treatment.

Trade Errors

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account.

Item 13 Review of Accounts

Financial Planning and Financial Coaching. Michelle Waymire, Investment Adviser Representative of our firm, will review your financial plan or current circumstances as needed, depending on the arrangements made with you at the inception of your advisory relationship. Generally, we will contact existing clients periodically to determine whether any updates may be needed based on changes in your circumstances. Changed circumstances may include, but are not limited to: marriage, divorce, birth, death, inheritance, lawsuit, retirement, job loss and/or disability, among others. While we recommend meeting with you at least annually, additional reviews will be conducted upon your request. Such reviews and updates will generally be subject to a new and separate engagement. To the extent we provide any written reports, such reports and/or financial plans will be rendered as part of the negotiated services.

Portfolio Management Services (Schwab and Betterment): Michelle Waymire will monitor your accounts on an ongoing basis and will conduct account reviews at least quarterly to ensure the advisory services provided to you are consistent with your investment needs and objectives. Lee Sherbakoff, managing member, will also oversee these reviews. Additional reviews may be conducted based on various circumstances, including, but not limited to: contributions and withdrawals; year-end tax planning; market moving events; security specific events; and/or, changes in your risk/return objectives. In our sole discretion, we may provide you with a written report in conjunction with account reviews at no additional cost. Reports we provide to you might contain relevant account and/or market-related information, such as an inventory of account holdings and account performance, etc. In addition, you will receive trade confirmations and monthly or quarterly statements from your account custodian(s).

Item 14 Client Referrals and Other Compensation

We do not receive any compensation from any third party in connection with providing investment advice to you nor do we compensate any individual or firm for client referrals. Please refer to the *Brokerage Practices* section above for disclosures on research and other benefits we may receive resulting from our relationship with Schwab and/or Betterment.

Item 15 Custody

As paying agent for our firm, your independent custodian will directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. You will receive account statements from the independent, qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy.

Item 16 Investment Discretion

Before we can buy or sell securities on your behalf, you must first sign our discretionary management agreement, and the appropriate trading authorization forms. You may grant our firm discretion over the selection and amount of securities to be purchased or sold for your account(s) without obtaining your consent or approval prior to each transaction. You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry or security. Please refer to the *Advisory Business* section in this brochure for more information on our discretionary management services.

If you enter into non-discretionary arrangements with our firm, we will obtain your approval prior to the execution of any transactions for your account(s). You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

Item 17 Voting Client Securities

We will not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of applicable securities, you are responsible for exercising your right to vote as a shareholder.

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 any electronic solicitations to vote proxies.

For accounts managed by Betterment, Betterment will receive and vote all proxies and related materials for any security held in the account pursuant to the authority delegated to Betterment by you in Betterment's separate agreement. Betterment will also vote on other corporate actions, like tender offers, which do not require a proxy or are not solicited via proxy pursuant to that same authority. You may request information regarding how Betterment votes your proxies and a copy of Betterment's proxy policies and procedures by emailing support@betterment.com.

Item 18 Financial Information

Our firm does not have any financial condition or impairment that would prevent us from meeting our contractual commitments to you. We do not take physical custody of client funds or securities, or serve as trustee or signatory for client accounts. We do not require the prepayment of more than \$1,200 in fees six or more months in advance. We have not filed a bankruptcy petition at any time in the past ten years. Therefore, we are not required to include a financial statement with this brochure.

Class Action Lawsuits

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.