Part 2A of Form ADV: Firm *Brochure*

Item 1 Cover Page – September 12, 2016

DVI
DAVID VAUGHAN INVESTMENTS

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This brochure provides information about the qualifications and business practices of David Vaughan Investments, Inc. ("DVI" or "the firm") If you have any questions about the contents of this brochure, please contact us at the telephone number and/or email address listed above. 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 DVI is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. DVI's CRD number is 105990.

DVI is a registered investment adviser. Registration with the United States Securities and Exchange Commission does not imply a certain level of skill or training.

Item 2 Material Changes

This section only discusses any material changes to this Form ADV Part 2A disclosure document since the date of our 2015 annual update to this brochure which was March 30, 2015 through the date of our 2016 annual update to this brochure which was March 30, 2016.

- **Change in Firm Ownership**
  - As part of the DVI Succession Plan, share transactions took place in the first quarter of 2016 that materially increased the overall common stock ownership of the firm by the Management Shareholders.

- **DVI Board of Directors**
  - A fourth independent Director was added to the Board of Directors on March 30, 2016.

- **Cybersecurity Controls and Procedures**
  - An enhanced process was put in place using outside vendors to monitor our IT network for cybersecurity threats and to help us proactively identify system vulnerabilities and to address them.

Item 3 Table of Contents

NOTE: To the extent that any of the above items do not apply to DVI, the items will simply be noted with Not Applicable.

Item 4 Advisory Business

DVI is a team of investment counselors, independently owned since 1977. DVI's Management team and Vaughan Family members own 69.86% and 31.04%, respectively, of the voting shares as of the date of this filing. We manage $1,967,892,000 in discretionary assets ($-0- of non-discretionary assets) as of December 31, 2015.

Listed below are the firm's principal shareholders:
Officers/Key Associates
Lawrence Williams, IV President & CEO
Brian A. Christensen, Senior Vice President
Patrick J. Smarjesse, Vice President
Todd M. Sheridan, Vice President
James D. Sinclair, Treasurer/CCO
Stephen A. Hinrichs, Director of Investment Research

Vaughan Family
David J. Vaughan, Jr Chairman
Melissa V. Garrigan
Anne M. Vaughan
Julia M. Rogers

The DVI team builds custom portfolios, each based on a client's unique set of income and growth objectives, risk tolerance levels and tax considerations. Client restrictions are discussed in Item 16 Investment Discretion below. While we believe separate account management is our core competence, we also work with a client's other advisers to solve complex tax, legal and financial challenges.

Ours is a "Quiet Quality" approach to investment management: people of integrity, acting in our clients' best interests … helping them plan for the future … protect what they have worked so hard to attain … and prosper today and for generations to come.

Discretionary Asset Management Services

DVI provides investment advisory services to high-net worth individuals, trusts, estates, charitable organizations, public & private foundations, qualified plans, corporations, and other business entities. We are not affiliated with any banks, broker-dealers, or other financial institutions.

Equity Common Stock Management
DVI's primary focus is the management of value oriented, income producing common stock portfolios. DVI utilizes a disciplined investment process that focuses on the development of fundamentally sound diversified equity portfolios with the highest priority placed upon risk management and the preservation of invested capital.

Fixed Income Portfolio Management

DVI also provides fixed income management using both taxable and tax exempt securities. The fixed income advisory service is provided to those clients who desire an allocation to this asset class for the purpose of risk reduction or current income enhancement. DVI provides fixed income portfolio management primarily to those clients who have retained DVI for common stock portfolio management.

Balanced Portfolio Management

DVI provides a Balanced Portfolio Strategy using individual stocks and fixed-income instruments within the overall framework of an asset allocation target. Balanced accounts are subject to the investment advisory fees outlined in Item 5 below. Money Market Fund assets and cash equivalents will be considered Equity Strategy assets for fee calculation purposes.

Mutual Fund Asset Allocation Portfolio Management

DVI has developed proprietary models for both fund selection as well as the development of asset allocation portfolios comprised of mutual funds.

Consulting Services

In 1995, David Vaughan Investments, Inc. established a division of the firm entitled DVI Consulting Group. This entity was created to serve the Plan Sponsors of participant and trustee directed qualified plans, Taft-Hartley plans, foundations and endowment funds of non-profit organizations. DVI provides consulting services to clients on $385,572,700 of assets as of December 31, 2015.

Services include: the Development of Investment Policy Statements, the Selection and Monitoring of Investment Options, the Communication of Investment Options and the Investment Education of Plan Participants and the Performance Measurement and Evaluation of Plan Investment Options. This documented process is designed to minimize fiduciary liability.

Services related to Foundation and Endowments include: Development of Investment Policy Statements & Spending Policies, the Selection and Monitoring of Investment Options and Performance Measurement & Reporting. In addition, we provide services related to the Accounting of Financial Activities, the Processing of Grant Requests, and account aggregation.

DVI provides clients with a quarterly newsletter “Quarterly Perspective” at no additional cost. The publication keeps clients informed about DVI’s views on the investment markets and related topics. In addition, DVI publishes white papers on industry topics and a Year in Review.

Beyond the Portfolio

While building and managing high-quality investment portfolios is DVI's signature service, we offer many other solutions to the complex challenges our clients face. We work in partnership with our clients' other advisers on matters such as:

- Trust and estate planning/settlement
- Financial/retirement planning
- Tax-sensitive investment planning
- Philanthropic advisory
  - Donor advised fund
  - Charitable trusts

- Distribution analysis
- Education funding / 529 college savings plans
- Individual trustee support services
- Stock option strategies
- Cash management
- Accommodation accounts
- Debt management
- Corporate employee benefits
    - Private foundation
- Generational wealth transfer strategies
    - Grantor retained annuity trusts
    - Defective grantor trusts
- Corporate trustee/fiduciary services
- Executive compensation strategies
- Private company advisory
- Management of concentrated holdings

DVI may also provide financial planning, which is an evaluation of a client's financial state using currently known variables to predict future cash flows and asset values. We gather information through an in-depth personal interview including the client's current financial status, tax status, future goals, return objectives and attitudes towards risk. We then review these documents, conduct analysis and present our findings to the client.

Account Aggregation Services

In conjunction with the services provided by Advent Custodial Data, DVI may also provide periodic comprehensive reporting services which can incorporate all of a client's investment assets, including those investment assets that are not part of the assets managed by DVI (the "Excluded Assets"). Should the client receive such reporting services, the client acknowledges and understands that with respect to the Excluded Assets, DVI's service is limited to reporting services only and does not include investment management, review, monitoring services, investment recommendations or advice. As such, the client and not DVI shall be exclusively responsible for the investment performance of the Excluded Assets. In the event the client desires DVI to provide investment management services with respect to the Excluded Assets, the client may engage DVI to do so for a separate and additional fee pursuant to the terms and conditions of the Investment Management Agreement between DVI and the client. The additional non-managed assets we aggregate into comprehensive client reports were $506,923,000 as of December 31, 2015.

Implementation of Recommendations

DVI's obligation is to merely present financial planning recommendations to the client and does not have the obligation or responsibility to implement them. DVI is not a law firm and does not draft documents so the client must present DVI's findings and recommendations to the client's attorney and engage such professional to design the actual strategies used and draft documentation necessary to implement any such strategies. The client shall have the sole authority and obligation regarding the implementation, acceptance, or rejection of any recommendation given by DVI. Also, DVI is not an accounting or tax advisory firm; therefore, the client must retain firms of client's choosing to implement any related recommendations made by DVI. If requested by the client, DVI may recommend the services of other professionals for development and implementation of strategies within the professional's particular area of expertise. The client is under no obligation to engage the services of any such recommended professional and retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from DVI.

Item 5 Fees and Compensation

DVI is compensated for investment advice and consulting services based upon the value of assets under management and accumulated in the consulting accounts at the end of each month or quarter. Generally, fees are calculated monthly and billed in arrears following the end of each calendar quarter. Clients may choose to have their fees deducted from their account or billed directly. In addition, clients may choose to prepay fees upon request. In the event a client prepays their fees and then terminates our services before the prepaid period expires, DVI will refund the unearned portion of the fees paid. DVI requests a minimum annual relationship fee of $5,000 for investment advisory services, $1,000 for mutual fund asset allocation portfolio management services, and $1,500 for consulting services but does not impose a minimum dollar value of assets for starting or maintaining an account. DVI, at its discretion, may at times accept smaller accounts for fees less than its stated minimum.

<u>Equity Common Stock Management</u>
Equity assets are billed at the following rates
.90 of 1% on the first $1,000,000 of equity assets
.75 of 1% on $1,000,001 to $5,000,000 of equity assets
.70 of 1% on $5,000,001 to $15,000,000 of equity assets
.60 of 1% on $ 15,000,001 and over.

<u>Fixed Income Portfolio Management</u>
Fixed Income assets are billed at the rate of:
.35 of 1% on the first $2,500,000 of fixed income assets
.25 of 1% on $2,500,001 and over.

<u>Balanced Portfolio Management</u>
Balanced management have total assets billed at the following rates:
.80 of 1% on the first $1,000,000 of total assets
.70 of 1% on $1,000,001 to $5,000,000 of total assets
.60 of 1% on $5,000,001 to $15,000,000 of total assets
.50 of 1% on $15,000,001 and over.

<u>Mutual Fund Asset Allocation Portfolio Management</u>
All mutual fund assets are billed at the rate of:
1% on the first $250,000 of portfolio assets
.90 of 1% on the next $250,000
.80 of 1% on the next $250,000
.70 of 1% on the next $250,000
.60 of 1% on assets that exceed $1 million

Certain assets under management (notably in the mutual fund asset allocation schedule outlined above) are invested in open end investment funds. These funds generally charge a management fee to compensate the investment advisors of these funds. These fees vary in amounts and are outlined in the mutual fund prospectus. DVI's fees as outlined above are in addition to these fund advisory fees. DVI does not receive any portion of these fund advisory fees.

DVI's investment management fees are exclusive of brokerage commissions, transaction fees and other related costs and expenses which may be incurred by the client. Custodians, broker/dealers, and other third parties charge transaction fees / commissions for purchase and sale of stocks and mutual funds, wire transfer fees and various other transactions (See Item 12 brokerage below). DVI does not receive any portion of these transaction fees, commissions and / or costs.

DVI Consulting Services

Asset Based Consulting Fee:
.50 of 1% on the first $2,500,000 of assets
.40 of 1% on $2,500,001 to $7,500,000 of assets
.30 of 1% on $7,500,001 to $15,000,000 of assets
.20 of 1% on $15,000,001 and over.

The clients of DVI Consulting Group are potentially paying two layers of fees. The organization or plan sponsor pays DVI Consulting Group for the consulting services as described in Item 4 Advisory Business above. In addition, the organization or Plan account is subject to the internal management fees associated with any of the mutual funds they are invested in.

DVI provides certain directors, shareholders, and employees of DVI and members of their families with advisory services at a discount to the regular fee schedules.

The foregoing fees will be subject to negotiation in individual cases. Some clients with an equity-income and balanced advisory relationships with DVI prior to July 1, 2004 and April 1, 2011, respectively, remain under these prior fee arrangements.

A relationship may be terminated at any time by DVI or a client, upon 60 days written notice to the other party. Fees will be prorated to the date of termination. New clients have the right to terminate DVI within 5 business days after the execution of the DVI Investment Management Agreement without being subject to advisory fees.

Fee Payment Options
There are two options clients may select to pay for our services:

1. *Direct debiting (preferred)*: At the inception of the relationship and each month-end, quarter-end, or annual period thereafter, DVI will notify client custodians of the amount of management fee due and payable to DVI through our fee schedule and contract. If clients choose this method, they must provide written authorization to the custodian permitting DVI's management fee to be paid directly from their account held by an independent custodian. The custodian does not validate or check DVI's fee or its calculation on the assets on which the fee is based. The custodian will deduct the fee from the client's account(s) or, if you have more than one account, from the account your have designated to pay DVI's advisory fees. Each month, clients will receive a statement directly from their custodian showing all transactions, positions and credits/debits into or from their account which should be checked by the client for accuracy including the amount of our management fee which has been deducted. The statements after the fees are billed will reflect these transactions.

2. *Pay-by-check:* At the inception of the relationship and each month, quarter, or annually, DVI will issue you an invoice for our services and you will pay us by check upon receipt of the invoice.

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

Not applicable.

Item 7 Types of *Clients*

DVI's types of clients are listed in Item 4 Advisory Business above. Minimum fees and account sizes are discussed in Item 5 Fees and Compensation above.

STRATEGIC RELATIONSHIP WITH RLI CORP

DVI has maintained a long standing relationship with RLI Corp [RLI], a property and casualty insurance company headquartered in Peoria, Illinois, which is traded on the NYSE. There is no ownership affiliation between DVI and RLI, but we have served as their investment advisor for more than thirty years and have also provided the company with various other professional services (including treasury investment accounting outsourcing through November 30, 2013) in the past. DVI has also periodically invested client assets in the common stock of RLI on a discretionary basis.

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

Equity Strategy

The core DVI investment strategy involves managing client assets in an equity strategy with a long term focus. Key aspects of the DVI equity strategy include diversification across economic sectors, limiting individual security exposures, low turnover, and a focus on attractively valued dividend paying companies. Equity accounts are typically close to fully invested at all times unless client restrictions require an additional cash component; market timing in and out of the equity market is not part of the DVI equity strategy.

DVI uses a combination of quantitative and qualitative research in determining which companies to include in equity portfolios. The quantitative component utilizes a software platform to access, manage, and analyze a financial database that includes fundamental data and history for thousands of U.S.-based companies. DVI has developed a proprietary ranking system using this database to analyze the attractiveness of companies based on a list of many factors DVI has determined important in generating positive long term investment results.

In addition to quantitative research, DVI's internal research team performs qualitative research to determine which companies will ultimately be included in client equity portfolios. DVI analysts rely on a numerous sources to perform qualitative research, including news articles, company SEC filings, management conference calls and Wall Street research reports. Criteria that DVI analysts look for in possible equity investments include consistent and growing earnings, product leadership, a perceived competitive advantage, strong management teams, and history of returning capital to shareholders.

Fixed Income Strategy

To complement our core equity strategy, we take a conservative buy-and-hold approach to fixed income management, purchasing only high quality, investment-grade securities. These consist of obligations of the United States Government and its Agencies, large domestic and international corporations and / or state and local municipalities. As a result, the fixed income component of our clients' portfolios generally carries an aggregate investment grade credit rating of A2 / A or higher.

In addition to credit quality, we need to further manage risk by controlling a portfolio's maturity profile. Our portfolios typically target a maturity profile of two to seven years. Once the appropriate portfolio structure is determined, our portfolio management team selects individual securities which they believe provide the best risk-adjusted return for our clients.

Balanced Strategy

Many of our clients have specific needs that require investments in both equity and fixed income securities. To meet these needs we structure balanced portfolios, which blend our value-oriented, dividend-focused equity strategy with our high quality, buy-and-hold fixed income approach.

The client's asset allocation is customized based on their risk tolerance, income needs and investment time horizon. We work with clients to determine the appropriate mixture of stocks and bonds for their portfolios, and we monitor and adjust this balance as their needs change.

We also use an asset-liability matching process to further refine a client's asset allocation. This process sets aside certain assets in fixed income investments to prefund any known short-to-intermediate term cash flow liabilities such as taxes, college tuition expenses or large asset purchases. This is designed to reduce the impact of short term market volatility on the client's wealth and allows the equity portion of their portfolio to remain invested for long term growth.

Mutual Fund Asset Allocation

Certain client situations may require DVI to utilize a mutual fund based strategy for managing their assets. DVI utilizes software to access, manage, and analyze mutual fund data on over 25,000 mutual funds. DVI has developed a proprietary system to sort and filter the mutual fund database to identify funds that best meet client objectives. DVI will purchase no-load or load waived mutual funds for mutual fund portfolios, meaning clients will not be subject to fund company sales charges from the purchase or sale of these funds. DVI receives no compensation from mutual fund companies for placing client assets in their funds.

Risk of Loss

All DVI Investment Strategies involves risk of loss that clients should be prepared to bear. Risks inherent in DVI's Investment Strategy include:

Equity Investments

- **Market Risk:** The risk that the stock market in general declines. As a result, stocks owned may not be able to be sold at the price initially paid for them.
- **Economic Risk:** The risk that the economy will suffer a downturn as a whole. Such an event generally negatively impacts equity markets.
- **Industry Risk:** This risk that a specific industry will suffer a downturn, negatively impacting all stocks in that industry.
- **Company Specific Risk:** The risk that earnings of a specific company will decline due to competitive pressures, management changes, or fraudulent activities within the company.
- **Geopolitical Risk:** The risk that that a country's government will suddenly change its policies. Events such as wars, terrorist events, government regulation, and tax policy changes can negatively impact the equity markets.

Fixed Income Investments

- **Interest Rate Risk:** The risk that market interest rates move higher, making the value of current bond holdings move lower.
- **Credit Deterioration Risk:** The risk that investors and/or credit rating agencies may take a more negative view of the bond issuer's ability to repay its obligations. If investors demand a higher rate of return from an issuer's bonds due to a perceived increase in risk, the value of that issuer's existing bonds will likely decline.
- **Default Risk:** The risk that the issuer of a bond may not live up to its financial obligations. A default by the issuer could mean that you lose your invested capital and the expected interest payments.
- **Inflation Risk:** The risk that the value of a long-term investment may not grow enough to keep up with inflation, reducing your purchasing power as a result.
- **Reinvestment Risk:** The risk that interest rates have fallen when a bond matures. If this occurs, you may be unable to reinvest matured assets at the rate of return you were accustomed to receiving.
- **Liquidity Risk:** The risk that you will be unable to liquidate a bond when you want at current fair value. As a result, you may be forced to retain the asset or accept less than fair value.
- **Taxation Risk:** The risk that tax exempt securities have a change in their tax exempt status or the impact of the adoption of lower federal tax rates.

Item 9 Disciplinary Information

Our firm has no material legal or disciplinary events to disclose.

Item 10 Other Financial Industry Activities and Affiliations

Material relationships of our advisory business

CliftonLarsonAllen LLP (CLA) is a national certified public accounting firm that provides tax advice and business valuation services to DVI and is paid for professional services rendered. CLA also provides accounting and tax preparation services to a multitude of DVI clients. However, there is no ownership affiliation or common officers or employees between DVI and CLA.

Thomas Zurcher & White, P.A. (TZW) is a Florida based certified public accounting firm that provides tax advice and consulting services to DVI. TZW also provides accounting and tax preparation services to a multitude of DVI clients located in Central Florida. DVI has engaged TZW to provide certain financial planning and retirement planning services to mutual clients for which DVI compensates TZW. However, there is no ownership affiliation or common officers or employees between DVI and TZW.

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

Participation or Interest in Client Transactions

David Vaughan Investments, Inc. has adopted a Code of Ethics pursuant to SEC Rule 204A-1. These minimum ethical standards are required of all employees.

1. Comply with all applicable federal and state securities laws;

2. Place the interests of clients first;

3. All personal securities transactions must be conducted in accordance with the code of ethics.

4. Investment adviser personnel should not take inappropriate advantage of their positions;

5. The fiduciary principle that information concerning the identity of clients and security holdings and financial circumstances of clients is confidential;

6. The principle that independence in the investment decision-making process is paramount; and

7. The principle that the public, clients, prospects, employers and associates will be treated with integrity, competence, dignity and in an ethical manner.

In addition to the above, the code of ethics sets forth the policy and procedures for Access Persons (All DVI associates) reporting requirements, insider (non-public) information, gifts, and sanctions for violation of the Code.

DVI's associates can engage in personal securities transactions under circumstances specified in the Policies. However, there may be circumstances where DVI may buy and sell on behalf of its clients securities of issuers or other investments in which DVI associates or their related persons (and members of their families) own securities or otherwise have a beneficial interest and which DVI associates or their related persons may buy or sell on their behalf at or about the same time such securities of issuers or other investments are bought or sold on behalf of clients. This presents a conflict of interest in that an associate could front run client trades to their personal benefit. This is mitigated by requiring DVI associates to pre-clear all transactions in securities not otherwise exempt.

A copy of the Code of Ethics can be obtained by contacting our Chief Compliance Officer using the contact information on the cover page of this brochure.

Item 12 Brokerage Practices

Custodian & Broker/Dealer Selection

DVI is an independent registered investment advisor. We are not a broker/dealer, nor do we have a broker/dealer affiliate. All client trades are executed by broker/dealers independent of DVI.

DVI recommends broker/dealers with custodian capabilities with an emphasis placed on lowering costs and achieving best execution for our clients. When making these recommendations, we consider a broker/dealer's:

- execution quality,
- trade clearance and settlement capabilities,
- insurance offering (in excess of SIPC insurance limits),
- financial stability,
- willingness to negotiate low commission rates, and
- client data security and cybersecurity control environment.

Based on this criteria, DVI normally recommends clients custody their assets with and execute their brokerage through either Charles Schwab & Co., Inc. (Schwab) or TD Ameritrade, Inc. (TD); both are FINRA-registered broker/dealers and members of SIPC. DVI is independently owned and operated and is not affiliated with Schwab or TD.

Schwab and TD provide DVI with access to institutional trading and custody services, which are typically not available to retail investors. None of the custodians charges DVI or our clients for these institutional services, but instead are compensated through trading commissions and other transaction-based or asset-based fees. Schwab and TD provide DVI clients institutional rate commission schedules with a flat-rate minimum ticket charge. As a consequence of the flat-rate minimum ticket charge, in the execution of aggregate client orders, some clients will pay a higher cent-per-share commission rate than others.

Schwab and TD also make available to DVI other products and services that benefit DVI but may not benefit an individual client's accounts directly. DVI uses these products and services to service all or some substantial number of DVI's accounts, including accounts not maintained at Schwab and TD. These include software and other technology that

- provide access to client account data (such as trade confirmations and account statements);
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- provide research, securities pricing and other market data;
- facilitate payment of DVI's fees from its clients' accounts; and
- assist with back-office functions, recordkeeping and client reporting.

Other services offered by Schwab and TD may not benefit our clients directly, but instead help DVI manage and further develop our business enterprise. These include:

- compliance, legal and business consulting;
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants and insurance providers.

Schwab and TD may also make available, arrange and/or pay third-party vendors to provide these types of services to DVI. Fees for these services may be discounted or waived and would otherwise be charged to DVI if not for the existing custodial relationships. Other benefits such as educational events or occasional business entertainment of DVI personnel may also be provided by our primary custodians. In evaluating whether to recommend clients to custody their assets at Schwab or TD, DVI may take into account the availability of some of the foregoing products and services in addition to primary criteria such as the nature, cost and quality of custody and brokerage services provided. Considering these secondary factors in our recommendation creates a potential conflict of interest. We mitigate this by periodically reviewing our custodian and broker/dealer relationships to ensure our clients are receiving the best possible custodial and brokerage services to meet their needs.

Limitations as a Consequence of Broker/Dealer Selection

Accounts held at Schwab and TD are generally limited to executing transactions at each respective firm in order to avoid prime brokerage or trade away fees. When electing to assign custodial and brokerage services to these firms, DVI clients will forego any of the benefits they may have had if their assets were held elsewhere, such as the client's ability to directly negotiate commission schedules with the broker/dealer.

Directed Brokerage

Although DVI recommends that clients establish accounts at either Schwab or TD, it is ultimately the client's decision where to custody their assets and direct its investment transactions. A Directed Brokerage arrangement often results in DVI being unable to achieve best execution for the client. For example, in a directed brokerage account, the client may pay higher brokerage commissions because we are unable to aggregate orders to reduce transaction costs. The client may also receive less favorable execution prices, depending on the directed broker's trading capabilities. DVI currently maintains client directed brokerage relationships on behalf of certain clients with Morgan Stanley, Raymond James, and T Rowe Price based upon this direction.

Aggregation of Client Orders

DVI will aggregate purchase or sale orders of the same security held in two or more accounts (including DVI associate trades) as a means of achieving best execution for our clients and to ensure all clients are treated fairly and equitably. In the event there are partially filled orders in the execution of a block trade, DVI will allocate the partial fills in a manner we feel is most advantageous for clients. Depending on factors including the fill price of shares traded vs. end of day price and the minimum brokerage commission of the accounts involved, DVI will allocate partial fills on either a pro rata basis or a computer generated random basis to each client participating in the block trade. In the event random allocations are used, accounts getting fills in the random allocation are determined by our trading order management software. Purchase and sale orders for DVI associates are included in client block trades and are treated in the same manner as client orders for pricing and allocation. In general, client orders are assigned to block trades by the broker/dealer with which the client has elected to place their assets (Custodian Designation).

Prime Brokerage

With client consent, DVI maintains the ability to execute client transactions on a Prime Brokerage basis, meaning security transactions can be executed through third party broker/dealers. A separate transaction fee is imposed by Schwab and TD to settle prime trades. This service is only utilized when DVI determines it is advantageous to the client under best execution criterion.

Cross Transactions

On occasion, DVI may instruct brokers to effect “cross” transactions between client accounts in which one client will purchase securities sold by another client. Such transactions are only entered into when the crossing price quoted by the executing broker is fair to both parties (by reference to independent market indicators or as otherwise prescribed by law) and DVI determines the transaction to be in the best interests and constitutes “best execution” for both parties. Neither DVI nor any related party receives any compensation in connection with such “cross” transactions. We do not allow cross transactions when either account is subject to ERISA.

Soft Dollar Benefits

DVI currently has no signed agreements with any firms that require a minimum amount of order flow or commission dollars in order to receive soft dollar research.

Other Potential Conflicts of Interest

From time to time, certain custodians, broker/dealers, or investment advisers/principal underwriters to open-end investment companies and closed-end funds may discount or waive attendance, marketing, travel, or other fees associated with industry conferences for DVI or DVI Associates. This presents a potential conflict of interest in that DVI financially benefits from services it would otherwise have to pay for in an attempt to get DVI to recommend a custodian, broker/dealer, open-end investment company, or closed-end fund to clients rather than basing these recommendations purely on our clients’ best interests. This conflict is mitigated by DVI’s Code of Ethics, which imposes a strict fiduciary duty on DVI to always act in the best interests of our clients.

Trade Errors

It is the policy of DVI to act immediately to correct errors affecting client accounts. If DVI determines an error has occurred with respect to executing client transactions, it will act in a timely manner to notify the client’s custodian of the error. Once notification is given, the error will be corrected by the client’s custodian and any resulting gains or losses will be handled in accordance with the custodian’s trade error processing policies and procedures. DVI does business with multiple custodians and will make the respective custodian’s trade error processing policies and procedures available upon request. In all instances, the client will not incur any loss or costs resulting from a DVI trade error.

Item 13 Review of Accounts

Portfolio Management Review:

On a day-to-day basis, the ***DVI*** portfolio management team (Senior Vice President & CIO, Vice President, Director of Investment Research, one Portfolio Manager, and Portfolio Analyst & Trader) reviews client portfolios:

- Assuring that appropriate cash levels are maintained;

- Monitoring account restrictions and ***DVI***'s compliance to these constraints;

- Utilizing tax-loss harvesting for those accounts that are subject to taxation; and

- Keeping an eye on individual security and industry weightings and their consistency with ***DVI***'s investment guidelines.

Client reviews are completed as required by client specific needs but not less frequent than annually. Reviews are completed in person or via the telephone with the Relationship Manager and Portfolio Manager assigned to the client. We also review accounts in response to various triggers such as deposits or withdrawals, transfers, and changes in client objectives or risk tolerances. Changes directed by the Investment Management Committee with respect to portfolio construction and security selection also cause portfolio reviews to occur.

Internal Oversight:

Each client relationship will have both a portfolio manager and a relationship manager assigned to it. In certain cases, the portfolio manager and relationship manager roles may be performed by the same ***DVI*** employee for a given client. The intent of this policy is to make sure that there is a line of direct responsibility as it relates to:

- ***DVI's*** adherence to any asset allocation or investment policy constraint;

- The consistent application of ***DVI's*** investment process across all portfolios of the relationship composite; and

- An appropriate dialogue with the client to incorporate changes in client objectives with the management of the relationship.

All clients of David Vaughan Investments, Inc. receive the following written and/or electronic reports:

Provided by the registered broker dealer:

1. Confirmation of all transactions, supplied by the client's chosen broker/ dealer.
2. Complete monthly statements listing all portfolio holdings, the market value of these managed assets, and transactions in the account during the month are supplied by the client's chosen broker dealer.

3. Year-end tax reporting such as 1099 and 1099Rs.

*Provided by **DVI** periodically:*

1. Reports reconciled to the custodian statement; outlining positions held, cost basis, position and sector weightings and market valuation information.
2. Asset summary statement summarizing assets by portfolio and asset class.
3. Detailed quarterly performance reports providing monthly, year-to-date, and historical time weighted total rate of return calculations.
4. Realized gain/(loss) reports summarizing year-to-date activity.
5. Transaction summary report summarizing year-to-date purchases, sales, maturities, calls, contributions, withdrawals, and expenses.
6. Fixed income distribution report illustrating distribution by maturity date and S&P rating.
7. Disclosure encouraging client to compare their ***DVI*** reports with their custodian statements to ensure that all their assets are listed.

Item 14 Client Referrals and Other Compensation

DVI has been fortunate to receive many client referrals over the years. The referrals came from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other similar sources. In most cases, the firm does not compensate referring parties for these referrals. Those compensated are discussed below.

DVI received client referrals from Schwab through the firm's participation in the Schwab Advisor Network (the "Service"). ***DVI*** is no longer active in the Service. Schwab is a broker-dealer independent of and unaffiliated with ***DVI***. ***DVI*** pays Schwab a Participation Fee (15% of the fees the client pays to ***DVI***) on the clients referred through the Service.

DVI does not have any non-Schwab active solicitor arrangements at this time. Historic non-Schwab solicitors are still paid a referral fee in an amount equal to 25% of the annual advisory fee charged by ***DVI***.

DVI does not charge referred clients fees or costs greater than the fees or costs ***DVI*** charges clients with similar portfolios who were not referred through a compensated party.

DVI adheres to Rule 206(4)-3, the "Solicitation Rule," and requires all solicitors to provide to the prospective client:
1. A copy of ***DVI***'s ADV Part 2A & 2B brochure and brochure supplements or a document with similar content.
2. A separate written disclosure statement of the fees being paid the solicitor is sign by each client affected.

<u>Additional Compensation</u>

DVI does not accept referral fees or any form of remuneration from other professionals when ***DVI*** refers a prospect or client to them.

DVI receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors that have their clients maintain accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above *(see Item 12 – Brokerage Practices)*. The availability to us of Schwab's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

Item 15 Custody

DVI is deemed to have custody of client funds or securities for purposes of the Investment Advisors Act of 1940 due to its authority to deduct its advisory fees from client accounts and when DVI professionals act as trustees or secondary trustees for certain client assets. We may also be deemed to have custody of client funds when we receive and send to your custodian the class action lawsuit checks we periodically receive on the behalf of client and when a client provides us with a check with you, the client, as the payee to be deposited into one of your custodian accounts. All third party client custodians are qualified and provide clients with statements at least quarterly.

Differences Between Our Statements And Custodial Statements

We encourage clients to compare their ***DVI*** report packages with their custodian statements to ensure that all their assets are listed. The statements clients receive from us can differ from the statements clients receive from their custodian. Every month, we reconcile client accounts according to the security holdings and transactions provided by their month-end custodial statement. Although security holdings and transactions are reconciled, market values are not reconciled and can be different. This is primarily a result of the method by which our portfolio accounting system associates prices to securities. While the prices of fixed income securities tend to differ more across custodians, the price of equity securities can differ across custodians as well. Since the same security can be priced differently at different custodians, a standardized pricing hierarchy must be imposed on the portfolio accounting system to ensure accurate, consistent and transparent reporting across clients. Our portfolio accounting system has a pricing hierarchy whereby custodians are ranked by priority. If a security is valued by multiple custodians, the ultimate price assigned to the security in the portfolio accounting system reflects the price used by the custodian with the highest ranking. This means that if two accounts hold the same security and have different custodians, our portfolio accounting system will value the security based on the price used by the custodian that is higher up in the pricing hierarchy. The price will then be applied to all accounts that hold the security. This disclosure encouraging clients to compare their ***DVI*** reports with their custodian statements is prominently displayed with each quarterly report package.

Item 16 Investment Discretion

All clients provide DVI certain limited powers of attorney through the brokerage account application. All discretionary clients sign a DVI Investment Management Agreement which grants DVI limited power of attorney to exercise discretion in managing client investment accounts. This discretion allows DVI to buy, sell, exchange, convert and otherwise trade in all stocks, bonds and other securities without seeking permission from the client. Additionally, the custodial/brokerage account application signed by the client appoints DVI as the client's investment advisor and allows DVI to execute trades on the client's behalf.

The investment discretion granted to DVI is subject to limitations and restrictions specified by the client and documented in the client's Investment Policy Statement within the Investment Management Agreement. These limitations and restrictions govern items such as the asset allocation targets between stocks and bonds, or prohibited buying or selling of specific securities or security types. Clients retain the right to amend these limitations and restrictions at any time by providing written instructions to DVI, which we will attach as an amendment to the client's DVI Investment Management Agreement.

Item 17 Voting Client Securities

Voting Policies

DVI accepts authority to vote client securities. The DVI Investment Committee is responsible for determining votes for all proxy issues. DVI subscribes to Glass Lewis & Co., a recognized leader in corporate governance research, to provide voting guidance on any corporate governance topic.

DVI's Investment Committee has adopted the Glass Lewis & Co. Proxy Voting Guidelines and believes they are consistent with the best interest of the clients we serve. This includes votes where Glass Lewis & Co. recommends a vote against a company's management.

The DVI Investment Committee will document any decisions to vote a proxy different than the recommendation from Glass Lewis & Co.

Proxy Administration

The Chief Compliance Officer and staff has responsibility for implementation of the Investment Committee's voting decisions, as well as responsibility for proxy administration and recordkeeping. DVI has engaged the services of Broadridge (ProxyEdge) to assist in the administration, voting and recordkeeping process.

Some clients retain the right to vote proxies on their own. They receive the proxy materials directly from their custodian or the applicable company's transfer agent. Clients can contact Brian Christensen at 309-685-0033 if they have questions about a particular solicitation or if they wish to obtain a copy of the DVI proxy voting guidelines.

Conflicts of Interest

As a result of DVI's normal order of business, it is possible that conflicts of interest could develop in making proxy voting decisions. Examples of potential conflicts of interest could include but are not limited to:

- DVI has a business relationship with a proponent of a proxy proposal and this business relationship may influence how DVI casts its vote
- DVI has business or personal relationships with participants in a proxy contest, corporate directors or candidates for directorships
- DVI manages a retirement plan or provides other services to a company whose management is soliciting proxies

In instances where DVI has a material conflict of interest, we will default to our third party, Glass Lewis & Co. proxy voting guidelines.

Disclosure

DVI will communicate how they may obtain a copy of the DVI detailed proxy voting policies and procedures to ongoing clients during the first quarter of each year and with new clients throughout the year.

Item 18 Financial Information

DVI does not believe there is any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients.

DVI does not require or solicit prepayment of more than $1,200 in fees per client, six months or more in advance.

Additional Disclosures:

Privacy Policy

Policy Statement to Our Clients

DVI recognizes that is has an obligation to keep information about you secure and confidential. We will never sell or share your information to anyone outside of our organization, other than as described in our Privacy Policy or as otherwise allowed or required by law. For this reason, we will never request permission to share your information. You do not need to take any action to prevent disclosure by DVI of your private information.

Security of Your Information

DVI takes precautions to prevent your information from inadvertently being disclosed. We maintain a system of physical, electronic and procedural safeguards to protect client information. When new technologies become available, we make upgrades to this system, as appropriate. Beginning January 1, 2016, Total AdvisorSecure by Itegria, LLC began monitoring our network for cybersecurity threats and will help us proactively find and fix vulnerabilities to protect your information. In addition, an ongoing review and revision of network access security began.

Collection of Information

We only collect information as needed to service your account. We collect two types of information. One is information you provide on account-opening documents, such as your name and address, as well as your investment objectives and opening account balance. The second type is information about your account, including a transaction history and communications with you, such as account statements we send to you and correspondence from you.

Sharing of Information for Completing Transactions

As necessary to carry out our services to you, we may share your account information with brokers who execute trades for your account or who have custody of your account.

Business Continuity Plan

DVI has a business continuity plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services, or key people. Our contingency plans include the ability to recover from situations including, but not limited to, unplanned evacuations, power outages, major water leaks, fire, severe weather and facilities failures that may cause operational interruptions.

We review and monitor our plans at least annually to identify our mission critical systems and mitigate operational risks. We backup electronic files daily and archived on- and offsite. Our goals include the safety and welfare of our Employees, accessibility to essential systems and communications, and the resumption of business operations within a reasonable amount of time.

In the event our current facilities are deemed inaccessible, we may establish a temporary recovery site from which to resume business services. DVI will make every effort to immediately notify our clients, Employees, business associates, and vendors of the location of the recovery site, how to contact us, and the estimated time when normal business operations will resume.

The 2010 recapitalization provided management shareholders with a majority of the voting stock of the corporation; our team approach described in Item #4 Advisory Services; and Item #13 Review of Accounts above gives DVI the ability to continue managing both the firm as well as client accounts in the event of a serious disability or death of an individual member of the management committee or each client's team.

Conflicts of Interest

Since our inception, it has been our policy to avoid any practice that is adverse in any respect to our clients' interests or is the result of a conflict of interest. This policy is evident in our strict code of ethics which applies to investments by our employees for their own accounts. While we strive to avoid conflicts, we are cognizant that conflicts will nevertheless arise, and it is our policy to fully and fairly disclose known material conflicts to you.

Personal interests, both inside and outside of David Vaughan Investments that could be placed ahead of our obligations to clients could be the source of actual or potential conflicts of interest. Employees must remain aware that just the opportunity to act improperly may create the appearance of conflict and that conflicts may exist even in the absence of wrongdoing. Employees are required to make a full and timely disclosure of any situation that could result in a potential conflict or the appearance of a conflict of interest. Employees may not take advantage of any opportunity or otherwise personally benefit from information obtained as an employee that would not have been available otherwise.

To identify potential sources of conflicts of interest and to assess how those conflicts are addressed by our compliance program, we perform regular reviews. This process has been developed and improved, since our inception, with the input from the Chief Compliance Officer and the Management Committee. In 2012, the Board of Directors created a Compliance and Audit Committee with the DVI Compliance and Internal Audit Committees reporting to it. The DVI

Compliance is comprised of the President, the Chief Compliance Officer, a portfolio management representative, a business development representative, and a client services associate. The three primary categories of potential conflicts of interest evaluated by the DVI Compliance committee are:

1. Potential conflicts between the firm and our clients,
2. Potential conflicts between our employees and our clients, and
3. Potential conflicts between different clients.

Primary potential conflicts between the firm and our clients include:
• Misuse of brokerage commissions,
• Misleading or deceptive marketing,
• Misleading or deceptive trading practices,
• Improper valuation, and
• Errors and corrections.

To manage and mitigate these potential conflicts, we employ the following practices:
• Soft dollar policies and procedures,
• Policy on Best Execution and oversight by Trade Management Oversight Committee,
• Policy on Advertising, Marketing, and Promotional Activities,
• GIPS procedure,
• Policy on Valuation of Client Assets,
• Adherence to a Trading Policy, including bunching, fair allocation and rotation procedures, and
• Policy on Loss Charge-offs Due to Error and Corrections.

Primary potential conflicts between our employees and our clients include:
• Misuse of nonpublic information including front-running,
• Misdirection of investment opportunities, and
• Participation in investment opportunities by employees.

To manage and mitigate these potential conflicts, we employ the following practices:
• Code of Ethics, including personal trading restrictions,
• Policy on Gifts and Bequests to Officers and Employees,
• Compliance and Audit Committee of the Board of Directors.

Primary potential conflicts between our clients include:
• Allocation of investment opportunities,
• Trading between client accounts, and
• Errors and corrections.

To manage and mitigate these potential conflicts, we employ the following practices:
• Cross trading policy,
• Adherence to Trading Policy, including bunching, fair allocation and rotation procedures,
• Oversight by Trade Management Oversight Committee,
• Supervisory review of client accounts, and
• Policy on Loss Charge-offs Due to Error and Corrections

Please see Item 11 *Code of Ethics, Participation or Interest in Client Transactions and Personal Trading* and Item 12 *Brokerage Practices* for a more detailed description of these policies.

Our compliance program is designed to identify, monitor and address such risks by utilizing a 3-step compliance risk assessment process, consisting of:
1. An inherent risk assessment,
2. Control environment assessment, and
3. Residual risk assessment.

The resulting risk scores assist with prioritizing areas for improvement and compliance focus.

David Vaughan Investments, Inc.
5823 N. Forest Park Drive
Peoria, IL 61614
309.685.0033 Fax 309.685.3665

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Winter Park, FL 32789
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www.dviinc.com

Part 2B of Form ADV: *Brochure Supplement*

Item 1 Cover Page

<table>
<tr><td>Lawrence Williams IV, President & CEO</td><td rowspan="13">David Vaughan Investments, Inc.
5823 N. Forest Park Drive
Peoria, IL 61614
309.685.0033
Fax 309.685.3665

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www.dviinc.com</td></tr>
<tr><td>Brian A. Christensen, CFA, Senior Vice President</td></tr>
<tr><td>Todd M. Sheridan, CFA, Vice President</td></tr>
<tr><td>Patrick J. Smarjesse, CEBS, Vice President</td></tr>
<tr><td>Stephen K. Hinrichs, CFA, Director of Investment Research</td></tr>
<tr><td>Stephanie A Ricketts, CFP®, Relationship Manager</td></tr>
<tr><td>Andrew J. Lister, CFA, Portfolio Manager</td></tr>
<tr><td>Deanna M. Baele, CFP®, Executive Office Advisor</td></tr>
<tr><td>Meghan J. Jackson, Portfolio Analyst & Trader</td></tr>
<tr><td>Margaret L. Bilby, CFP®, Relationship Manager - Florida</td></tr>
<tr><td>Jeffrey J. Huizenga, CFP®, ChFC®, Relationship Manager</td></tr>
<tr><td>Dalton M. Mellon, Advisory Analyst</td></tr>
<tr><td>J. Pierce Timko, CFA, CFP®, CWS®, Portfolio Manager - Florida</td></tr>
</table>

This brochure provides information about the David Vaughan Investments, Inc. ("DVI") Associates listed above that supplements the DVI brochure. You should have received a copy of that brochure. Please contact Jim Sinclair, Treasurer/Chief Compliance Officer if you did not receive the DVI brochure or if you have any questions about the contents of this supplement.

Additional information about the DVI Associates listed above is available on the SEC's website at www.adviserinfo.sec.gov.

December 9, 2016

Lawrence Williams IV, President & CEO
CRD # 2254189

Item 2 Educational Background and Business Experience

Birthdate 1963
Denison University 1981-1985 BA
Bradley University 1990-1993 MBA
President, David Vaughan Investments, Inc.

Item 3 Disciplinary Information

Not applicable.

Item 4 Other Business Activities

Not applicable.

Item 5 Additional Compensation

Not applicable.

Item 6 Supervision

Reports to David Vaughan, Jr, Chairman of the Board, 407.421.0982.
See additional discussion below.

Brian A. Christensen, CFA, Senior Vice President
CRD # 1643784

Item 2 Educational Background and Business Experience

Birthdate 1964
Eastern Illinois University 1982-1986 BS
Illinois State University 1987- MBA
Senior Vice President, David Vaughan Investments, Inc.

Item 3 Disciplinary Information

Not applicable.

Item 4 Other Business Activities

Not applicable.

Item 5 Additional Compensation

Not applicable.

Item 6 Supervision

Reports to Lawrence Williams IV, President & CEO, 309.685.0033.
See additional discussion below.

Todd M. Sheridan, CFA, Vice President
CRD # 2364260

Item 2 Educational Background and Business Experience

Birthdate 1966
University of Illinois at Urbana-Champaign 1984-1988 BS
Vice President, David Vaughan Investments, Inc.

Item 3 Disciplinary Information

Not applicable.

Item 4 Other Business Activities

Not applicable.

Item 5 Additional Compensation

Not applicable.

Item 6 Supervision

Reports to Brian Christensen, Senior Vice President, 309.685.0033.
See additional discussion below.

Patrick J. Smarjesse, CEBS, Vice President
CRD # 1385119

Item 2 Educational Background and Business Experience

Birthdate 1962
Illinois Central College 1980-1982
University of Wisconsin-LaCrosse 1982-1984
Vice President, David Vaughan Investments, Inc.

Item 3 Disciplinary Information

Not applicable.

Item 4 Other Business Activities

Not applicable.

Item 5 Additional Compensation

Not applicable.

Item 6 Supervision

Reports to Lawrence Williams IV, President & CEO, 309.685.0033.
See additional discussion below.

Stephen K. Hinrichs, CFA, Director of Investment Research
CRD # 4341093

Item 2 Educational Background and Business Experience

Birthdate 1969
University of Illinois at Urbana-Champaign , 1987-1991 BA
Director of Investment Research, David Vaughan Investments, Inc. 2015 - present
Portfolio Manager, David Vaughan Investments, Inc. 1998 - 2015

Item 3 Disciplinary Information

Not applicable.

Item 4 Other Business Activities

Not applicable.

Item 5 Additional Compensation

See additional discussion below.

Item 6 Supervision

Reports to Brian Christensen, Senior Vice President, 309.685.0033.
See additional discussion below.

Stephanie A. Ricketts, CFP®, Relationship Manager
CRD# 3249842

Item 2 Educational Background and Business Experience

Birthdate 1971
Bradley University 1990 - 1994 BA
Bradley University 1999 - 2002 MBA
Relationship Manager, David Vaughan Investments, Inc. 2007 - present

Item 3 Disciplinary Information

Not applicable.

Item 4 Other Business Activities

Not applicable.

Item 5 Additional Compensation

See additional discussion below.

Item 6 Supervision

Reports to Patrick Smarjesse, Vice President, 309.685.0033.
See additional discussion below.

Andrew J. Lister, CFA, Portfolio Manager
CRD # 3191245

Item 2 Educational Background and Business Experience

Birthdate 1974
University of Hawaii, 1994-1998 BBA-Finance
University of Chicago, 2000-2005 MBA
Portfolio Analyst, David Vaughan Investments, Inc. 2005 – 2014
Portfolio Manager, David Vaughan Investments, Inc. 2015 - Present

Item 3 Disciplinary Information

Not applicable.

Item 4 Other Business Activities

Not applicable.

Item 5 Additional Compensation

See additional discussion below.

Item 6 Supervision

Reports to Todd Sheridan, Vice President, 309.685.0033.
See additional discussion below.

Deanna M. Baele, CFP®, Executive Office Advisor
CRD # 2636105

Item 2 Educational Background and Business Experience

Birthdate 1973
Monmouth College 1991-1995 BA
St. Ambrose University 1995-2000 MBA
Client Services and Relationship Manager, David Vaughan Investments, Inc. 2000 - 2011
Executive Office Advisor, David Vaughan Investments, Inc. 2011 - present

Item 3 Disciplinary Information

Not applicable.

Item 4 Other Business Activities

Not applicable.

Item 5 Additional Compensation

See additional discussion below.

Item 6 Supervision

Reports to Lawrence Williams IV, President & CEO, 309.685.0033.
See additional discussion below.

Meghan J. Jackson, Portfolio Analyst & Trader
CRD# 4518777

Item 2   Educational Background and Business Experience

Birthdate 1980
Monmouth College, 1998-2002 BBA-Business Administration
Financial Analyst, David Vaughan Investments, Inc. 2008 – 2014
Portfolio Analyst & Trader, David Vaughan Investments, Inc. 2015 - Present

Item 3   Disciplinary Information

Not applicable.

Item 4   Other Business Activities

Not applicable.

Item 5   Additional Compensation

See additional discussion below.

Item 6   Supervision

Reports to Todd Sheridan, Vice President, 309.685.0033.
See additional discussion below.

Margaret L. Bilby, CFP®, Relationship Manager - Florida
CRD# 5011099

Item 2   Educational Background and Business Experience

Birthdate 1985
Emory University, 2003-2007 BA, Economics and English Literature
University of Florida, 2014 MBA
Registered Client Associate, Merrill Lynch 2008 - 2011
Wealth Specialist, USAA Wealth Management 2011-2012
Wealth Advisor, USAA Financial Planning 2012 - 2014
Acquisition Manager, USAA Financial Planning 2014 - 2015
Relationship Manager, David Vaughan Investments, Inc. 2015 - present

Item 3   Disciplinary Information

Not applicable.

Item 4   Other Business Activities

Not applicable.

Item 5   Additional Compensation

See additional discussion below.

Item 6   Supervision

Reports to Patrick Smarjesse, Vice President, 309.685.0033.
See additional discussion below.

Jeffrey J. Huizenga, CFP®, ChFC®, Relationship Manager
CRD# 2409162

Item 2 Educational Background and Business Experience

Birthdate 1972
University of Dubuque, 1990-1994 BS-Business Administration
Senior Wealth Advisor, CliftonLarsonAllen Wealth Advisors 2004 - 2014
Relationship Manager, David Vaughan Investments, Inc. 2014 - present

Item 3 Disciplinary Information

Not applicable.

Item 4 Other Business Activities

Not applicable.

Item 5 Additional Compensation

See additional discussion below.

Item 6 Supervision

Reports to Patrick Smarjesse, Vice President, 309.685.0033.
See additional discussion below.

Dalton M. Mellon, Advisory Analyst
CRD# 6070698

Item 2 Educational Background and Business Experience

Birthdate 1990
University of Illinois-Champaign, 2009-2013 BS-Finance
Advisory Analyst, David Vaughan Investments, Inc. 2015 - present
Assistant Relationship Manager, David Vaughan Investments, Inc. 2013 – 2015
CFA Candidate Level III

Item 3 Disciplinary Information

Not applicable.

Item 4 Other Business Activities

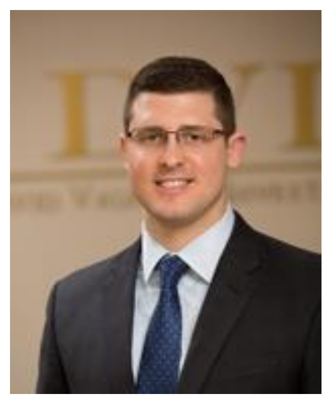
Not applicable.

Item 5 Additional Compensation

See additional discussion below.

Item 6 Supervision

Reports to Stephen Hinrichs, Director of Investment Research, 309.685.0033. See additional discussion below.



J. Pierce Timko, CFA, CFP®, CWS® Portfolio Manager - Florida CRD# 5198721

Item 2 Educational Background and Business Experience

Birthdate 1984
Stetson University, 2003-2007 BS-Business Administration
Investment Consultant, Charles Schwab & Co. Managed Solutions, 2010-2012
Senior Portfolio Consultant, Charles Schwab & Co. Private Client 2012 - 2016
Portfolio Manager, David Vaughan Investments, Inc. 2016 - present

Item 3 Disciplinary Information

Not applicable.

Item 4 Other Business Activities

Not applicable.

Item 5 Additional Compensation

See additional discussion below.

Item 6 Supervision

Reports to Brian Christensen, Senior Vice President, 309.685.0033.
See additional discussion below.

ADDITIONAL DISCUSSION

CFA

The Chartered Financial Analyst® (CFA®) charter is a professional designation established in 1962 and awarded by CFA Institute. To earn the CFA charter, candidates must pass three sequential, six-hour examinations over two to four years. The three levels of the CFA Program test a wide range of investment topics, including ethical and professional standards, fixed-income analysis, alternative and derivative investments, and portfolio management and wealth planning. In addition, CFA charterholders must have at least four years of acceptable professional experience in the investment decision-making process and must commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

CFP®

The Certified Financial Planner® (CFP®) certification is a voluntary certification. It is recognized for its high standard of professional education; stringent code of conduct and standards of practice; and ethical requirements that govern professional engagements with clients. To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements –

1) 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. 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;
2) Examination – Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances;
3) Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
4) 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 S*tandards 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.

CEBS

The Certified Employee Benefits Specialist (CEBS) professional designation was established in 1976 and is awarded by the International Foundation of Employee Benefit Plans. To earn the CEBS designations, candidates must complete six required and two optional classes and pass a two-hour examination for each completed course. The required courses include Group Health Plan Design, Group Benefits Management, Retirement Plan Design and Management, Human Resources and Compensation Management, and Compensation Concepts and Principles. Two of the following elective courses need to be completed as well - Asset Management, Health Care Financing and Economic, Executive Compensation and Compensation Issues, Personal Financial Planning Concepts and Principles, or Personal Financial Planning Tax and Estate Planning Techniques. In addition, CEBS designees must meet the Precertification Standards and agree to abide by the Principles of Conduct.

ChFC®

The Chartered Financial Consultant (ChFC®) designation has been a mark of excellence for financial planners for almost thirty years. The curriculum covers extensive education and application training in all aspects of financial planning, income taxation, investments, and estate and retirement planning.

- Educational Requirements - ChFC® candidates must complete nine college-level courses, seven required and two electives. The required courses include *Financial Planning: Process and Environment*; *Fundamentals of Insurance Planning*; *Income Taxation*; *Planning for Retirement Needs*; *Investments*; *Fundamentals of Estate Planning*; and *Financial Planning Applications*.
- Prerequisites/Experience - Requires three-years of full-time, relevant business experience.
- Ethics - Must adhere to The American College's Code of Ethics, which includes the following professional pledge: "I shall, in light of all conditions surrounding those I serve, which I shall make every conscientious effort to ascertain and understand, render that service which, in the same circumstances, I would apply to myself."
- Examinations - Requires nine closed-book, course-specific, two-hour proctored exams.
- Continuing Education - 30 hours of continuing education every two years.
- Enforcement - Designation may be removed for unethical conduct through the certification committee of The American College's Board of Trustees.

CWS®

The Certified Wealth Strategist® (CWS®) requires three years of experience in the financial services industry that must also include direct interaction with clients and a 4-year degree from an accredited school. It utilizes a blended learning approach that includes two instructor-led training, 13 Wealth Management Issues study guides, on-line mastery exams, conversation skill builders and eLessons. The learning experience culminates with a Capstone Project: a written document demonstrating a sustainable framework which applies the new knowledge and skills to the practitioner's business. The program provides the knowledge, the practice management formula, and the critical client interaction skills to create and build a dynamic Wealth Advisory practice that works effectively with complex client issues. The designation requires 33 hours of continuing education every two years.

Additional Compensation

All DVI Associates including management shareholders participate in an annual short-term incentive plan based upon firm profitability and meeting or exceeding established targets on key business performance metrics.

All non-shareholder DVI Associates and management shareholders with less than 5% share ownership in DVI participate in a marketing incentive compensation plan based on firm growth of net new assets under management each quarter.

Supervision

DVI's Compliance Policies and Procedures govern the supervision of employees. DVI's Investment Committee is generally responsible for oversight of the investment management process. Its Chief Investment Officer, Brian A. Christensen, CFA, oversees the Investment Committee's general control of the investment management process. DVI's President & CEO, Lawrence Williams IV, reviews and signs all investment advisory agreements. The Treasurer/Chief Compliance Officer, James D. Sinclair, is responsible for implementing and administering the Compliance Program Manual which includes portfolio management procedures. Testing is performed to verify that these procedures are followed.

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