

FORT DES MOINES FINANCIAL SERVICES

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Part 2A of Form ADV: **FIRM BROCHURE**

Item 1 Cover Page

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This brochure provides information about the qualifications and business practices of Fort Des Moines Financial Services. If you have any questions about the contents of this brochure, please contact me at 515-285-4529 or 2 East Army Post Rd. Ste 2, Des Moines, IA 50315. 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. Fort Des Moines Financial Services, Inc is a state registered investment advisor.

Additional information about Fort Des Moines Financial Services is available on the SEC's website at www.adviserinfo.sec.gov

Today my Brokerage Accounts are held at TD Ameritrade due to the following factors:

- low cost or no trading fees ... **(250+Commission-Free ETFs)**
- no annual client custodial fees
- exceptional call support service
- superior technology, trading and website features
- no client minimums
- free overnight mailing of client funds by request
- easy online execution of trades

** Note all accounts are Non-Discretionary

Item 2 Advisory Business

Advisory Service:

Fort Des Moines Financial was established in 2006. David Harkin, the owner has been advising clients since 1996. In 1993-1994 he worked as a Commodity Broker for Commodity Service, Inc. in West Des Moines, IA.

Advisory services provide investment accounts that primarily use a combination of low cost exchange traded funds (ETFs), common & preferred stocks, individual bonds, mutual funds and money markets. The primary focus in client brokerage accounts is on ETFs and stocks because of the low-cost structure. ETFs offer thousands of investment options with no 12B-1 fees. 12B-1 fees are annual marketing or distribution fees commonly associated with mutual funds. The three primary ETF's providers in 2017 BlackRock, Vanguard, and State Street controlled \$4.3 Trillion in assets – Forbes. In 2009 only \$32 Billion was invested in ETF's. FDMFS started using ETF's since 2004. The firm rarely use mutual funds today unless by request.

ETFs represent Broad Market, Sector and International Indexes. ETFs and stocks allow immediate trading ability and set price determination, transparency and diversification. ETFs have low annual turnover and this allows more favorable tax treatment in non-retirement accounts. Accounts are set up at the brokerage firm without front end fees or surrender charges. Trading costs go directly to the custodian. TD Ameritrade acts as the custodian not FDMFS. All reports and statements, electronic or paper mailings come via TD Ameritrade. Tax statements are mailed to you regardless if you are requesting electronic delivery in February. The envelope will state 'Important Tax Information'.

TD Ameritrade increased its free ETF offerings from 100 to over 250 in 2018, meaning no trading costs for client buys/sells. Many of Vanguard's ETF's traded at no cost for 7 years up until January 2018. Today Vanguard has a trade cost. State Street came in with replacement ETF's offering no transaction costs for similar ETF's at low internal expenses. All trades are executed by FDMFS. No block trading of accounts is done.

Each account and position is individually traded by advisor David Harkin. For example, the S&P 500 ETF Index under symbol IVV is a common ETF used. IVV trades has a low annual expense of 4 basis points or \$4 per \$10,000 invested. The advisor takes into consideration bid/ask spreads, volume and ETF annual expense ratios prior to recommending one ETF over another. Advisor will use a free trading ETF over one with a trading fee given that similar or identical characteristics.

Stocks are researched using a variety news services, financial newspapers, company press releases and research subscription services. CFRA stock reports is a premium service offered to TD Ameritrade Advisors. FDMFS uses preferred stocks, bonds, structured notes, and money markets to help diversify away from more volatile common stock in the equity markets.

Item 3 Fees and Compensation

Annual management expenses assessed via Fort Des Moines Financial Services, Inc. on brokerage accounts will range from .90% to 1.10% per year. A typical account has an annual management expenses of 1.00% per year and is charged one quarter of one percent at the end of each quarter. Fees come from money market holdings maintained in accounts. Fully invested accounts will keep one percent in a money market account.

Often I will keep extra cash in the account for upcoming redemptions or buying opportunities. There are no internal expenses assessed on stocks maintained in advisory services. Most ETF's we use have annual internal expenses between .03% and .13%. This means \$3 to \$13 per \$10,000 invested per year! Initial consultations and ongoing advice are free.

Management expenses assessed will vary depending on balances held, trading activity, and the need for ongoing reviews including research required on individuals' behalf. Advisory fees can vary due to the level of service provided and are negotiable with clients. Efforts are made to keep the total of all expenses less than or equal to the average mutual fund industry annual expenses that are assessed on A-share mutual funds.

Front load A-share Mutual Funds, higher expense C-share Mutual funds, Annuities, Private Reits and Limited Partnerships are often products used by advisors with broker dealers. They have higher expenses and I believe are less favorable to clients and will not be offered here. I am offered no incentive by any company to offer one investment over another. Mr. Harkin does his own research. FDMFS is focused on maintaining the lowest annual internal operating expenses.

When client accounts are closed they can be assessed quarterly management expenses up to the date the account is closed. Refunds are not applicable since fees are not assessed at the beginning of the quarter. If the advisory relationship is terminated by either party, 30 days written notice will be made.

Stocks are researched using a variety news services, financial newspapers, company press releases and research subscription services like CFRA. Advisor uses a good percentage of foreign investments given the US only represents 5% of the world population and a shrinking proportion to overall production of goods and services on a global scale. Mr. Harkin tends not to buy many individual stocks domesticated outside the United States. Performance reports are available upon request.

Item 4 Performance-Based Fees and Side-By-Side Management are not allowed within this practice.

Item 5 Types of Clients

FDMFS provides investment advice to: Individuals, Businesses, Trusts, Estates, Non-profit organizations.

A client group may have several accounts such IRA, Roth, Individual or Joint.

Item 6 Types of Investments

Exchange Traded Funds, Common & Preferred Stocks, No Load Mutual Funds, Individual Bonds, Reits, Municipals.

Item 7 Methods of Analysis, Sources of Information, and Investment Strategies.

Research reports from CFRA and Morningstar
CNBC, Nightly Business Report, Jim Cramer
Financial data from Yahoo Finance, MSN Money
Fundamental and Technical Analysis
Financial newspapers and magazines; USA TODAY, Des Moines Register
Press releases and Company websites
Company annual reports, filings and prospectuses

The investment strategies used to implement any investment advice given to clients include:

Long term purchases (securities held at least a year)
Short term purchases (securities sold within a year)
Trading (securities sold within 30 days)
Margin and short sale transactions are allowed but not encouraged

FDMFS's investment philosophy is to look ahead at the markets in relation to the economy, business cycle, and changing events. Past performance is not indicative of future performance. Often advisors and/or staff have the same positions as clients which helps FDMFS stay on top of ongoing developments. At all times client's risk factors and suitability are taken into account. Clients who are more risk adverse will usually have a lower percentage of individual equities versus diversified ETFs.

Get used to hearing the word Exchange Traded Funds (indexes) in advisory accounts. FDMFS prefers ETFs because they offer internal expenses that are a fraction of what most mutual funds charge. ETFs are used without front end fees or surrender expenses. Immediate trading abilities are also an advantage. In 2017 there are over 4000 worldwide ETF's which vary from Broad Market Indexes to specific sectors or industries and a wide array of International choices. Less than 1% of ETFs getting half of all inflows in 2017.

Outside of the 250 ETF's that trade for free and Original Issued Preferred Stocks -- most investments have trading expenses that are either \$6.95 or \$16.99. FDMFS is not compensated when making transactions. By subscribing to online statements and confirmations costs to trade are \$6.95. Choosing monthly paper statement increases trade costs to \$16.99. Trades over 1000 shares cost an additional \$.01 per share. Trading fees are controlled by TD Ameritrade and are subject to change. FDMFS has no control over this.

At TD Ameritrade account fees vary by household dollar amounts. If your total account assets are in the range of \$1 to \$499,999 trading costs are \$16.99 for buys and sells when choosing to receive monthly paper statements. Aggregate accounts above \$500,000 automatically have a reduced trade fee of \$6.95. If you are enrolled for Electronic Delivery, then all trades are \$6.95. TD Ameritrade currently has no annual custodial (recordkeeping) fees for any size account. Many large brokerage houses and custodians charge \$50-\$100 per year per account for this service.

ETFs, stocks, mutual funds, bonds and money markets are subject to risk or loss of principal. Money market accounts have done a good job historically to maintain \$1 per share. Advisory accounts offer no FDIC protection. SIPC protection is up to \$500,000 per client for all accounts at TD Ameritrade. FDMFS will work with the client's tax advisor to provide consolidated 1099 to help in your tax preparation. FDMFS does not prepare taxes or provide legal advice. Please consult your tax advisor or attorney for this assistance.

Item 8 Disciplinary Information

Advisor has had no Disciplinary Actions of any kind in the Financial Services Industry or on a personal level.

Item 9 Other Financial Industry Activities and Affiliations

Advisor owns a couple real estate properties where his assistant does all bookwork. On average it takes 3 hours a month time away from my practice. These duties are performed on weekends and evenings unless an emergency.

FDMFS has other business renting offices in the same building. FDMFS is dutiful in keeping client privileged information away from tenants via locked doors and computers with passwords. Client files are kept locked within advisor's office. Best practices are reviewed ongoing to see your information is protected. Mr. Harkin has a IT professional who work with him on client security and that of the premise. No client lists are ever shared. Password protection is used for designated files. ACT is our client management system is stored with ACT in the cloud.

Education and Business Background

Advisory services will be provided by David Harkin. David is the sole owner of FDMFS. He was born in 1971, graduated Norwalk High School in 1989 and completed a B.S. Marketing Degree from Truman State (formerly North East Missouri State).

David worked as a financial advisor with American Express Financial from January 1996 to November 2006. Mr. Harkin attained the educational designations supporting his line of work CFP, CLU, ChFC. In November of 2006 Mr. Harkin joined Cambridge Investment Research as an Independent advisor and became an RIA in 2008. David resigned from Cambridge in November of 2014 to offer exclusively advisory accounts.

Advisor offers financial planning advice involving: financial position, insurance, taxes, retirement and estate planning. For clients with advisory services or transaction accounts, financial advice is at no additional charge.

Item 10 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

A Code of Ethics has been adopted by FDMFS. This Code establishes rules of conduct for all access persons and supervised persons of FDMFS and is designed to govern personal securities trading activities in the accounts of employees and supervised persons.

The Code is based upon the principle that FDMFS, its access persons and supervised persons owe a fiduciary duty to the Firm's clients to conduct their affairs, including their personal securities transactions, in such a manner as to avoid:

- Serving their own personal interests ahead of clients
- Any actual or potential conflicts of interest or any abuse of their position of trust and responsibility.

The Code is designed to ensure that the high ethical standards long maintained by FDMFS continue to be applied. The purpose of the Code is to preclude activities, which may lead to or give the appearance of conflicts of interest, insider trading and other forms of prohibited or unethical business conduct.

It is FDMFS duty to:

- Obtain best execution for a client's transactions
- Ensure that investment advice is suitable to meeting the client's objectives, needs interests and circumstances

The Firm's reputation for fair and honest dealing with its clients has taken considerable time to build. This standing could be seriously damaged as the result of even a single securities transaction being considered questionable in light of the fiduciary duty owed to our clients. Access persons and supervised persons are urged to seek the advice of David Harkin, owner of the Firm and responsible for the Firm's compliance, for any questions about the Code or the application of the Code to their individual circumstances. Access persons and supervised persons should also understand that a material breach of the provisions of the Code may constitute grounds for disciplinary action, including termination of employment with FDMFS.

Restricted/Watch Lists

FDMFS does not receive confidential information nor tender offers from public companies. A tender offer is a broad solicitation by a company or a third party to purchase a substantial percentage of a company's equity shares for a limited period of time.

Item 11 Gifts and Entertainment

Giving, receiving or soliciting gifts in a business setting may create an appearance of impropriety or may raise a potential conflict of interest. Supervised persons should not accept or provide any gifts or favors that might influence the decisions he/she or the recipient must make in business transactions involving FDMFS.

Modest gifts may be accepted or given on an occasional basis for referrals or Christmas. Entertainment that satisfies these requirements and conforms to generally accepted business practices is permissible.

FDMFS has adopted a more complete Code of Ethics. Let us know if you would like more information on this topic.

Item 12 Brokerage Practices and Review of Accounts

Efforts are made to review managed accounts at least quarterly if not more often. Some clients have requested yearly face to face reviews, others prefer meetings every 6 months while some only want to do business via phone. Clients are encouraged to stop by unannounced with questions or concerns.

FDMFS uses a client management software system called ACT to record notes of meetings, transactions and information related to client's financial situations. Mr. Harkin has used this same client management software since 1996. This record system is a key strength of FDMFS in managing accounts. Clients with internet have daily access to their accounts via TD Ameritrade's website. Mr. Harkin email's screen shots as part of his reviews. Monthly statements and tax reports are provided upon request. Each Client is offered an ADV II yearly usually in March and at the opening of an advisory account.

Item 13 Client Referrals and Other Compensation

FDMFS will often provide some type of gratuity when clients offer referrals. Client referrals are greatly appreciated. The firm can do a better job creating value in client accounts if time is limited in looking for new accounts.

FDMFS will as needed provide references or referrals to advisors or agents in related fields or practices ranging from property casualty, tax, mortgage or legal services. FDMFS seeks only to provide clients with competent experienced advice and does not back these companies or is provided support from them.

Item 14 Custody

Client Reports come from TD Ameritrade, Morningstar and articles Yahoo Finance news feeds. All reporting and recordkeeping is provided by TD Ameritrade. All checks are made out to TD Ameritrade and not to FDMFS / Mr. Harkin.

Item 15 Investment or Brokerage Discretion

All accounts are handled on a non-discretionary basis meaning the advisor visits with clients about trade recommendation unless it is a small proportion of dividends or incoming monthly additions.

Item 16 Voting Client Securities

At times clients will receive proxy or voting requests from companies specific to one of their holdings. FDMFS will not vote or complete proxy requests for any clients. FDMFS will provide advice as needed in this area.

Item 17 Privacy Policy is available upon request.

Confidential Client Information

In the course of investment advisory activities of FDMFS, we gain access to private information about our clients. This includes a person's Annual Income, Net Worth, Source of Funds. This information as of March 2018 is requested to be shared on TD Ameritrade account applications.

We seek for our files to know our client's: Tax Bracket, Liquid NW, Risk Tolerance, Investment Objective & Experience. Mr. Harkin may ask about outside investment accounts, tax and insurance documents and estate planning. We use this to help identify the best allocation and composition of investments in a client portfolio and outside risk.

Enforcement and Review of Confidentiality and Privacy Policies

David Harkin is responsible for reviewing, maintaining and enforcing the Firm's confidentiality and privacy policies and is also responsible for conducting appropriate training to ensure adherence to these policies.

Item 18 Business Continuation

If I am unable to work due to death or severe impairment an agreement has been made with Matthew Sean Kimberley to take over and service your accounts. Mr. Kimberley came into the business in January 1996 with me at Ameriprise and works as an independent advisor at Royal Alliance Associates in Urbandale. His primary practice is handling investments for the same client base that FDMFS is experienced with.

Thank you for your business!

David Harkin CFP, CLU, ChFC

Financial Advisor

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Investments are subject to risk and may lose value including principal.