

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

**Item 1 Cover Page**

**DISCLOSURE STATEMENT - PART 2A Form ADV - BROCHURE**

as of

**January 15, 2021**

for

**Vari Investor Services, Inc.**  
7777 Fay Avenue, Suite 230  
La Jolla, CA 92037-4325

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**This brochure provides information about the qualifications and business practices of Vari Investor Services, Inc. If you have any questions about the contents of this brochure, please contact us at 858-454-3557 or Jack@Vari-Inc.com. The information in this brochure has not been approved or verified by any state securities authority. None of these entities has passed upon or approved the qualifications or business practices of the company, its employees, or associated persons.**

**Additional information about Vari Investor Services, Inc., is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Item 2 Material Changes**

The amount of assets and under management on a discretionary basis as of January 15, 2021, was \$40,483,343.81 representing a total of 151 accounts. For non-discretionary assets the amount was \$6,390,668.29, representing 25 accounts.

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#### Item 4 Advisory Business

##### A. ABOUT VARI INVESTOR SERVICES, INC.

**Vari Investor Services, Inc.**, is a Registered Investment Advisor with the California Department of Corporations (File #923-1156), a California corporation wholly owned by the **Jack T. McCord Trust**, whose sole trustee is **Jack T. McCord, CFP, President and Chief Executive Officer** (date of birth 5/25/46) of Vari Investor Services, Inc.

Mr. McCord has a Bachelor of Arts degree in economics from Grinnell College. He also holds the professional designation of Certified Financial Planner (CFP) which was granted in 1975. In 1983 he was one of the first to be admitted to the Registry of Financial Planning Practitioners. He has also been admitted to the ICFP Registry of CFP Licensed Practitioners.

From May 1981 to June of 1985 he served as executive vice president of Financial Planning Advisors Inc. in La Jolla, California. He became the president of Vari Investor Services in 1982. Prior to this he was an owner, founder, and officer of Financial Planning Consultants, Inc., a San Diego based Registered Investment Advisor which specialized in the preparation and implementation of financial plans for individuals and small corporations.

He began his career with the Investment Management Trust of Boston in 1967 and continued by working as a portfolio manager with Mansfield Mills, Inc. in La Jolla from 1971 to 1973. His career was interrupted from 1968 to 1970 when he served as a Peace Corps volunteer helping to establish multipurpose farmers' cooperatives in Malaysia.

He is a past president of the San Diego Chapter of the International Association for Financial Planning and served for four years on the National Board of Directors of the Institute of Certified Financial Planners. He also served on the Board of Governors of the Certified Financial Planner Board of Standards from 1992 to 1996.

Julie Jeffries, Operations Administrator, joined the firm in 1996 and is responsible for client account administration, which includes placing trades authorized by the investment advisers. She previously worked in the trust department of a local bank and as an operations administrator for a local investment management company.

Educational and business standards must be met by individuals associated with Vari Investor Services, Inc. in a management capacity. They must have at least three years of experience in the investment or financial planning fields. They must be familiar with all securities laws and regulations and complete at least 15 hours of approved educational activities per year. They must also either be a Certified Financial Planner (CFP) or be enrolled and currently studying for this designation.

## B. ADVISORY SERVICES OFFERED

### FEE BASED FINANCIAL PLANNING

This service includes a thorough analysis of your financial and life objectives, present financial position, investment, estate and risk management planning activities, income tax situation, and financial strengths and weaknesses.

We also outline some general approaches to bring financial activities more in line with your objectives. Our fees are based on a rate of \$150 per hour and are quoted in advance of entering into the Financial Planning Contract. This contract terminates upon delivery of the financial plan.

There are no minimum account sizes for financial planning services. Financial planning services are advisory in nature and no discretionary powers are given to Vari Investor Services, Inc. or any individuals associated with the company.

### GENERAL FINANCIAL ADVISORY SERVICES

We offer financial advisory services to clients under a Financial Advisory Contract which specifies the services to be provided by the adviser at a fixed rate.

### INVESTMENT MANAGEMENT PROGRAMS

We provide discretionary investment management services to our clients. We use "no-load" (no commission) mutual funds of various types in managing our client's funds **as well as individual stocks, bonds and other financial instruments**. There are two different programs available.

**1. Mutual Fund Switch Program** - This management program features equity oriented domestic and international mutual funds. It is designed to shift client assets out of growth funds and into money market funds during unfavorable market climates.

Our fees are charged quarterly according to the schedule below:

<u>Account Value</u>	<u>Quarterly Fee as % of Account</u>
First \$100,000	.5% (2% per year)
Next \$150,000	.25% (1% per year)
Values in excess of \$250,000	.125% (.5% per year)

Either the client or Vari may cancel the Mutual Fund Switch Advisory Contract at any time without penalty. Fees are charged quarterly in arrears and are based upon the amount of funds the client has under our management. A copy of the contract is available upon request.

Accounts are reviewed by an officer of the company on a quarterly basis. This takes the form of a written review to the client which details the starting value for the quarter, the gain or loss achieved, the ending value and the fee due. Each client also receives a management report which

reviews the actions taken in their account(s) and the performance of their account both for the current quarter and the year to date. Management fees are frequently deducted from the client's mutual fund accounts pursuant to a written agreement.

Our clients provide us with limited power of attorney forms for trading which allow us to switch their accounts from one mutual fund to another. **Due to the fact that we utilize mutual funds in this program, there are fund management fees, 12(b)1 expenses and possibly other charges which are in addition to our management fees.**

**2. Customized Investment Management Services** - We offer customized investment planning and management for individuals and retirement plans with our Customized Asset Management Services Contract. Fees are charged quarterly in arrears and are based on account value as follows:

For Schwab accounts:

<u>Account Value</u>	<u>Quarterly Fee as % of Account</u>
First \$ 100,000 of account value	.50% (2% per year)
Next \$ 150,000	.4375% (1.75% per year)
Next \$ 250,000	.375% (1.50% per year)
Next \$ 500,000	.25% (1.00% per year)
Over \$1,000,000	.125% (.50% per year)

For The Loan Company and Westport accounts:

Total account value	.125% (.50%/per year)
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Account reviews are performed by an officer of the company and are provided quarterly. They include a summary of all action taken and results achieved. Client accounts are typically domiciled at retail or discount stock brokerage firms and we perform our services under a limited power of attorney which allows us to make trades in clients' accounts. **Due to the fact that we often utilize mutual funds in this program, there are fund management fees, 12(b)1 expenses and possibly other charges which are in addition to our management fees. We typically utilize the services of Charles Schwab & Company for this program. If a different brokerage firm is chosen by the client, it is possible that commissions charged by this firm will be higher or lower than those charged by Charles Schwab & Co.**

We do not take possession of client funds or ownership certificates under any of our management programs. All accounts are registered in the name of the client.

## **OTHER BUSINESS ACTIVITIES**

In addition to investment advice, Vari Investor Services, Inc. provides hourly consultation services to its clients which include estate planning, risk management, educational fund planning, tax planning, retirement planning, business planning, and financial statement preparation.

**Vari Investor Services does not receive any compensation related to the sale of products recommended, or from referrals to other professionals. The client is under no obligation to act upon the investment adviser's recommendations, and if the client elects to act on any of**

**the recommendations, the client is under no obligation to effect the transaction through the investment adviser, which is not a broker dealer and cannot sell investment products.**

**C. CLIENTS' NEEDS AND PREFERENCES**

Most of our clients are over 50 years of age and have accumulated some degree of wealth before becoming clients. Our clients include individuals, corporations, partnerships, estate trustees, and trustees of employee benefit plans. Vari Investor Services takes into consideration the objectives, needs and individual requirements of each client when suggesting an investment service to reach their desired short term or long term goals.

**D. WRAP FEE PROGRAMS**

Vari Investor Services does not offer Wrap Fee programs to any client.

**E. CLIENT ASSETS UNDER MANAGEMENT**

As of January 15, 2021, the amount of assets under management on a discretionary basis was \$40,483,343.81 and on a non-discretionary basis was \$6,390,668.29.

**Item 5 Fees and Compensation**

**A. COMPENSATION AND FEE SCHEDULES**

As described in Section B of this brochure, Vari Investor Services offers Fee Based Financial Planning at a rate of \$150 per hour utilizing the Financial Planning Contract. The rate is quoted in advance and charged in arrears.

General Financial Advisory Services are offered under a Financial Advisory Contract and the fee is based on a rate of \$150 per hour which is quoted in advance and charged in arrears.

Fees for the Mutual Fund Switch Program are charged quarterly according to the chart below and billed in arrears.

<u>Account Value</u>	<u>Quarterly Fee as % of Account</u>
First \$100,000	.5% (2% per year)
Next \$150,000	.25% (1% per year)
Values in excess of \$250,000	.125% (.5% per year)

Fees for Customized Investment Management Services are charged quarterly according to the chart below and billed in arrears.

For Schwab accounts:

<u>Account Value</u>	<u>Quarterly Fee as % of Account</u>
First \$ 100,000 of account value	.50% (2% per year)
Next \$ 150,000	.4375% (1.75% per year)
Next \$ 250,000	.375% (1.50% per year)
Next \$ 500,000	.25% (1.00% per year)
Over \$1,000,000	.125% (.50% per year)

For The Loan Company accounts:

Total account value	.125% (.50%/per year)
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The fees set forth in the above paragraphs are not negotiable.

**B. CLIENT BILLING**

Financial Planning clients are billed upon delivery of their financial plan. General Financial Advisory Services are billed upon delivery of the financial review. The frequency of these reviews are at the client's discretion. Management programs are billed on a quarterly basis in arrears. Management fees can be deducted directly from a client's account pursuant to a written agreement, or paid directly upon receipt of the quarterly invoice.

**C. OTHER FEES, EXPENSES, TRANSACTION COSTS**

Due to the fact that we often utilize mutual funds in our management programs, there are fund management fees, 12(b)1 expenses and possibly other charges which are in addition to our management fees. We typically utilize the services of Charles Schwab & Company for these programs. If a different brokerage firm is chosen by the client, it is possible that commissions



charged by this firm will be higher or lower than those charged by Charles Schwab & Company. For more information on our Brokerage selection and recommendations, please refer to Item 12 of this brochure regarding Brokerage Practices.

#### **D. PAYMENT OF FEES**

Vari Investor Services does not charge in advance for any services rendered. All billing is in arrears. Quarterly statements show amount of fee, value of your assets upon which fee is based and fee schedule from which calculations are determined. It's the client's responsibility to verify the accuracy of the fee calculation, as the custodian will not do so. Lower fees for comparable services may be available from other sources.

#### **E. SALES OF SECURITIES OR INVESTMENT PRODUCTS**

Vari Investor Services does not sell any security or investment product. We offer only fee based services to our clients.

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

Vari Investor Services charges fees based on the amount of funds a client has under management or for specifically contracted hourly fee services with clients whose accounts are generally not enrolled in a management program. We do not offer performance-based fee management services and therefore there is no conflict of interest in our managed accounts. In some cases, a client who has or is using our advisory services, may be advised to use our investment management services. This could result in clients paying us both an investment management fee and a financial advisory fee.

##### **Item 7 *Types of Clients***

As stated in Item 4 of this brochure, our clients are for the most part over 50 years of age and have accumulated some degree of wealth before becoming clients. Our clients include individuals, estate trustees, and trustees of employee benefit plans.

Vari Investor Services does not have minimum fees or requirements for opening or maintaining an account but we suggest a minimum investment of \$100,000 under our Customized Asset Management program and \$10,000 for the Mutual Fund Switch Program (MFS).

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

### **A, B. METHODS, STRATEGIES AND RISK OF LOSS**

#### **METHODS OF ANALYSIS**

##### Investment Management Programs

All analysis used for rendering advice and providing investment management services is based upon both fundamental and technical evidence. In the technical area, we use moving averages, momentum indicators, oscillators, stochastics and other technical tools and apply them to various stock market indices and individual mutual funds. Fundamental analysis relies primarily on annual audited financial statements provided by various sources including research services and corporate annual reports.

##### Financial Planning Advisory Services

Vari's procedures include analyzing 1) individual client objectives, assets, liabilities, income, income taxes, estate planning, risk management and budgeting programs, 2) pointing out strengths and weaknesses in the client's present financial planning activities, and 3) outlining alternative actions to improve their financial position in light of their objectives.

##### Sources of Information

We utilize financial newspapers and magazines, research material prepared by others, corporate rating services, accounting periodicals, investment newsletters, annual reports, prospectuses, filings with the Securities & Exchange Commission, company press releases, and various computer data bases such as the Dow Jones News Retrieval Service data base service.

#### **INVESTMENT STRATEGIES**

##### Investment Management Programs

Strategies are dictated both by mathematical trend following techniques and fundamental financial analysis. Technical indicators used include moving averages of various types, momentum indicators and oscillators. Our management programs tend to produce both long and short term gains and losses.

##### Financial Planning Advisory Services

Both long and short term planning is done based on the individual needs of the client. Strategies employed include:

- the introduction of capital protection techniques,
  - income and estate tax reduction,
  - protection of assets and income from inflation,
  - maximizing after tax income, and

- coordinating financial activities with financial goals and objectives.

### **C. TYPES OF SECURITIES**

The company provides investment advice with regard to:

Exchange Listed Securities	Unlisted Securities	Warrants	Oil & Gas Partnerships
Corporate Debt Securities	Mutual Funds	CDs	Equipment Leasing
Trust Deeds	Municipal Securities	Insurance	R.E.I.T's
Variable Life Insurance	Foreign Securities	Govt. Bonds	Agricultural Partnerships
Variable Annuities	Securities Options	Commodities	Precious Metals
Real Estate Partnerships	R&D Partnerships	Royalty Trusts	Venture Capital

Vari Investor Services chooses investment vehicles on the basis of the clients' investment needs and amount of risk involved in holding the security. Vari Investor Services does not stress primarily any particular type of security to its clients as a whole.

Risks include credit default and stock market fluctuations.

**Item 9      Disciplinary Information**

Neither Vari Investor Services nor any management person is currently involved or has been involved in any legal or disciplinary event regarding investment-related business.

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

**A.      MANAGEMENT PERSONS AS BROKER-DEALERS**

No Vari Investor Services management person is registered, or has an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

**B.      MANAGEMENT PERSONS AS FUTURES OR COMMODITIES REGISTRANTS**

No Vari Investor Services management person is registered, or has an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person for the foregoing entities.

**C.      MATERIAL RELATIONSHIPS OR ARRANGEMENTS**

Vari Investor Services has no relationship or arrangement that is material to the Vari advisory business or to Vari clients with any related person listed below:

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

**D.      MATERIAL CONFLICT OF INTEREST**

Vari Investor Services does not receive compensation directly or indirectly from any adviser upon recommendation or selection of that adviser for a client. Vari does not have any business relationship with any adviser which may create a material conflict of interest.

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

### **A. CODE OF ETHICS**

Vari Investor Services, Inc., “Vari”, requires of its officers, directors and employees, hereafter referred to as “supervised persons,” as well as any supervised persons who have access to non-public information or are involved in making securities recommendations that are non-public, hereafter referred to as “access persons,” strict adherence to a standard of conduct which places the financial welfare of the client as an individual and of the clients as a whole, along with the integrity and professionalism of Vari representatives in all dealings with and for the benefit of the client(s), above any other consideration.

Vari supervised persons and access persons, who may be placed by clients in positions of trust and confidence, shall offer and provide professional services with integrity. The ultimate source of such public trust is the integrity of each supervised person and access person. In deciding what is right and just, each of these individuals should rely on his or her integrity as the appropriate touchstone. Integrity demands honesty and candor which must not be subordinated to personal gain and advantage. Within the characteristic of integrity, allowance can be made for innocent error and legitimate difference of opinion; but integrity cannot co-exist with deceit or subordination of one’s principles. Integrity requires the individual to observe not only the letter but also the spirit of the Vari Code of Ethics.

Vari supervised persons and access persons, shall be objective in providing professional services to clients. Objectivity requires intellectual honesty and impartiality. It is an essential quality for any professional. Regardless of the particular service rendered or the capacity in which a Vari supervised person and access person may act, each should protect the integrity of his or her work, maintain objectivity and avoid subordination of his or her judgment that would be in violation of this Code.

Vari supervised persons and access persons, shall provide services to clients competently and maintain the necessary knowledge and skill to continue to do so in those areas in which the designee is engaged. One is competent only when he or she has attained and maintained an adequate level of knowledge and skill and applies that knowledge effectively in providing services to clients. Competence also includes the wisdom to recognize the limitations of that knowledge and when consultation or client referral is appropriate. Vari supervised persons and access persons of Vari are deemed to be qualified to offer their professional services to clients by their experience, education, and earned designations and licensing status. In addition, supervised persons and access persons of Vari shall make a continuing commitment to learning and professional improvement. Refer to the Fiduciary Capacity section of Vari Compliance Policies.

Vari supervised persons and access persons, shall perform professional services in a manner that is fair and reasonable to clients, principals, partners, and employers and shall disclose conflict(s) of interest(s) in providing such services. Fairness requires impartiality, intellectual honesty and disclosure of conflict(s) of interest(s). It involves a subordination of one’s own feelings, prejudices and desires so as to achieve a proper balance of conflicting interests. Fairness is treating others in the same fashion that you would want to be treated and is an essential trait of any professional.

Vari supervised persons and access persons, shall not disclose any confidential client information without the specific consent of the client unless in response to proper legal process, to defend against charges of wrongdoing by its officers, directors and/or employees or in connection with a civil dispute between its officers, directors and/or employees. A client, by seeking the services of Vari, may be interested in creating a relationship of personal trust and confidence with Vari supervised persons and access persons. This type of relationship can only be built upon the understanding that information supplied Vari supervised persons and access persons will be confidential. In order to provide the contemplated services effectively and to protect the client's privacy, the officers, directors and employees shall safeguard the confidentiality of such information.

Vari supervised persons and access persons, shall conduct themselves in all matters in a way that will reflect credit upon the profession. Because of the importance of the professional services rendered by the supervised persons and access persons of Vari, there are attendant responsibilities to behave with dignity and courtesy to all those who use those services, fellow professionals, and those in related professions. Vari supervised persons and access persons also have an obligation to cooperate with fellow professionals to enhance and maintain the profession's public image and to work jointly with other professionals to improve the quality of services. It is only through the combined efforts of all professionals cooperating with each other that this vision can be realized.

Vari supervised persons and access persons are prohibited from receiving any gift, gratuity, hospitality or other offering of more than *de minimis* value (not to exceed \$100 annually) from any person or entity doing business with Vari or on behalf of Vari or any of its clients. This gift policy generally excludes items or events where the employee has reason to believe there is a legitimate business purpose.

Vari supervised persons and access persons, must comply with all applicable Federal and State Securities laws, including but not limited to those pertaining to a) Disclosure Requirements and Privacy Policy, b) Fiduciary Capacity, c) Insider Trading, d) Personal Securities Transactions, e) Principal and Agency Cross Transactions and f) Securities Transactions, Soft Dollar Arrangements and Best Execution. All of these topics are defined in the Vari Compliance Policies manual. Acknowledgment of receipt of Vari Compliance Policies is made a part of the Vari Code of Ethics.

Vari supervised persons and access persons, shall act diligently in providing professional services. Diligence is the provision of services in a reasonably prompt and thorough manner. Diligence also includes proper planning for and supervision of the rendering of professional services. All Vari supervised persons and access persons shall base their services on commonly accepted fiduciary standards of the industry. The Advisers Act imposes a fiduciary duty on investment advisers. As a fiduciary, Vari supervised persons and access persons, have a duty of utmost good faith to act solely in the best interests of each client. This fiduciary duty is the core principle underlying this Code of Ethics, and represents the expected basis of all of our dealings with our clients. Refer to the Fiduciary Capacity section of the Vari Compliance Policies.

All supervised persons and access persons shall acknowledge in writing receipt of a copy of the Vari Code of Ethics, and any amendments to the Code, along with the Vari Compliance Policies manual, of which the Code of Ethics is part.

Vari Investor Services will provide a copy of its Code of Ethics to any client or prospective client upon request.

## **B. MATERIAL FINANCIAL INTEREST**

Vari Investor Services does not buy or sell securities in which any management person or related person recommends to clients, or buys or sells for client accounts, securities in which any management person or related person has a material financial interest.

We have no vested interest whatsoever in the frequency or size of securities commissions that are generated by our management activities. Vari Investor Services, Inc. does not buy or sell securities for its clients in any capacity - principal, agent, or broker. Vari Investor Services, Inc. receives no compensation whatsoever from securities transactions. In fact, since our fees are based upon account value, we have a vested interest in minimizing transaction and commission costs.

The company executes securities transactions either through the client's existing stockbroker or with various discount brokerage firms.

Neither Vari Investor Services, Inc. nor its employees will act as a securities broker or agent for clients.

## **C,D. PARTICIPATION IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

Vari Investor Services' management persons may own securities that are also owned by clients. Personal trading and investment activities of employees are subject to federal and state securities laws, rules and regulations.

All Vari supervised persons and access persons, shall submit to Jack McCord an initial holding report of every securities transaction in which they, their families (including the spouse, minor children and adults in the same household as the officer, director or employee), and trusts of which they are trustees or in which they have a beneficial interest within 10 days after each transaction. The report shall include the name of the securities, date of the transaction, quantity, price, and broker-dealer through which the transaction was effected. The requirement may be satisfied by sending duplicate confirmations of such trades to Jack McCord. The information must be current, no more than 45 days prior to the date of the report.

All Vari supervised persons and access persons shall submit quarterly transactions reports within 30 days after the end of a quarter. Copies of monthly account statements will satisfy this requirement.

All Vari supervised persons and access persons shall submit annual holdings reports of his/her securities holdings as of a date no more than 45 days prior to the date of gaining access to non-public information. Copies of monthly account statements will satisfy this requirement.

#### Policies Relating to Individual Securities Transactions

No employee or member of the investment committee may execute any exchange listed transaction for any security presently held in client accounts or on the buy list without first obtaining the approval of Jack McCord. Open end mutual fund transactions are excluded from this policy.

If the investment committee approves the purchase of an exchange listed security that is presently being held by any employee or member of the investment committee, that individual must disclose this fact along with the size of the position and its cost immediately to Jack McCord. This individual must also obtain written permission from Jack McCord before entering any sell oriented order pertaining to this security.

Each employee or member of the investment committee will provide monthly statements and transactions reports for personal accounts, current as of the past 30 days. These statements will reflect the full scope of investment holdings and fulfill the requirements for quarterly and year end reporting of assets held by Vari supervised persons and access persons.



## **Item 12 Brokerage Practices**

### **A. BROKER-DEALERS FOR CLIENT TRANSACTIONS**

#### **1. Research and Other Soft Dollar Benefits**

Vari Investor Services does not engage in any soft-dollar benefits programs.

#### **2. Brokerage for Client Referrals**

Vari does not solicit or receive client referrals from any broker-dealers.

#### **3. Directed Brokerage**

Vari Investor Services has no economic relationships with any broker-dealer. The company executes securities transactions either through the client's existing stockbroker or with various discount brokerage firms. Due to the fact that we often utilize mutual funds in our programs, there are fund management fees, 12(b)1 expenses and possibly other charges which are in addition to our management fees. We typically utilize the services of Charles Schwab & Company. If a different brokerage firm is chosen by the client, it is possible that commissions charged by this firm will be higher or lower than those charged by Charles Schwab & Co. We do not take possession of client funds or ownership certificates under any of our management programs. All accounts are registered in the name of the client.

### **B. PURCHASE OR SALE OF SECURITIES IN BLOCK TRADING**

Vari Investor Services may, in its sole discretion, aggregate purchases or sales of any security, instrument or obligation effected for client accounts with purchases or sales, as the case may be, of the same security, instrument or obligation effected on the same day for the accounts of one or more of its clients. Although such concurrent aggregations potentially could be either advantageous or disadvantageous to any one or more particular accounts, they will be effected only when it is believed that to do so will be in the best interest of the affected accounts. When transactions are so aggregated, (a) the actual prices applicable to the aggregated transaction will be averaged, and each client account participating in the aggregated transaction will be averaged, and each client account participating in the aggregated transaction will be deemed to have purchased or sold its share of the security, instrument or obligation involved at the average price and (b) all transaction costs incurred in effecting the aggregated transaction shall be shared on a pro rata basis among all accounts participating in such aggregated transaction, except to the extent that certain broker-dealers that also furnish custody services may impose minimum transaction charges applicable to some of the participating accounts. When such concurrent aggregations occur, the objective will be to allocate the executions in a manner that is deemed equitable to the accounts involved. On assets with a low volume of trading, Vari breaks the trading blocks into smaller share amounts, and trades the blocks throughout the morning.

## **Item 13 Review of Accounts**

### **A. PERIODIC ACCOUNT REVIEWS**

Accounts are reviewed by an officer of the company on a quarterly basis. This takes the form of a written review to the client which details the starting value for the quarter, the gain or loss achieved, the ending value and the fee due. Each client also receives a management report which reviews the actions taken in their account(s) and the performance of their account both for the current quarter and the year to date. Management fees are frequently deducted from the client's accounts pursuant to a written agreement.

Financial plans are reviewed by an officer of the company at the request of the client or according to the frequency instructions in an agreement signed by the client for periodic reviews.

### **B. OTHER REVIEWS**

Aside from quarterly reviews, accounts are reviewed from time to time for the following reasons:

1. Buying or selling assets for individual accounts or multiple accounts,
2. Dramatic market movements,
3. Change in the outlook for the economy, earnings, interest rates,
4. Decline in a certain section of the market,
5. Individual clients circumstances or changes.

### **C. REPORT CONTENT**

All quarterly reports are written reports. Each report contains the starting value for the quarter, the gain or loss achieved, the ending value and the fee due. Each client receives a management report which reviews the actions taken in their account(s) and the performance of their account both for the current quarter and the year to date.

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

##### **A. RECEIPT OF ECONOMIC BENEFITS**

Vari Investor Services does not accept or receive economic benefits from non-clients for providing investment advice or other advisory services to its clients.

#### **Item 15 *Custody***

Vari Investor Services does not take possession of client funds or ownership certificates under any of its management programs. All accounts are registered in the name of the client. In most cases, our management clients receive monthly or quarterly statements from their broker-dealer, bank or other qualified custodian along with quarterly statements from Vari Investor Services. It is always in the clients' best interest to review all of their statements and compare them for accuracy and content.

Vari Investor Services has met the SEC's 7 custody conditions:

1. The client provides an instruction to the qualified custodian, in writing, that includes the client's signature, the third party's name, and either the third party's address or the third party's account number at a custodian to which the transfer should be directed.
2. The client authorizes the Advisor, in writing, either on the qualified custodian's form or separately, to direct transfers to the third party either on a specified schedule or from time to time.
3. The client's qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the client's authorization, and provides a transfer of funds notice to the client promptly after each transfer.
4. The client has the ability to terminate or change the instruction to the client's qualified custodian.
5. The Advisor has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the client's instruction.
6. The Advisor maintains records showing that the third party is not a related party of the Advisor or located at the same address as the Advisor.
7. The client's qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

Vari Investor Services does not accept custody of clients' assets.

**Item 16 Investment Discretion**

Vari Investor Services accepts discretionary authority to manage securities accounts on behalf of its clients. A client must sign a limited power of attorney for this authority to be granted to Vari Investor Services on the client's behalf. Under this limited power of attorney a client can grant trading authority, disbursement of assets for investment purposes or directly to the client, and fee payment authorization which allows the client's fees to be taken directly out of the account. Most clients include all three authorizations when they allow discretionary authority.

**Item 17 Voting *Client Securities***

**A. PROXY VOTING FOR CLIENTS**

Vari Investor Services does not accept authority to vote client securities.

**B. PROXY VOTING INFORMATION FOR CLIENTS**

Proxies and other securities solicitations are delivered to the client by their Broker-Dealer custodian or transfer agent. If a client has any questions regarding any request or report regarding proxies, Vari Investor Services will discuss the issues with the client at the client's request. There is no charge to the client for these services.

**Item 18 Financial Information**

**A. NO PREPAYMENT OF FEES**

Vari Investor Services charges all fees in arrears. Financial Planning clients are billed upon delivery of their financial plan. General Financial Advisory Services clients are billed upon delivery of their financial review. Management program clients are billed on a quarterly basis in arrears.

**B. CONTRACTUAL COMMITMENTS**

Due to the fact that all fees are charged in arrears, contractual commitments are met before Vari Investor Services bills its clients.

**C. FINANCIAL HISTORY**

Vari Investor Services has never been the subject of a bankruptcy petition.

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

**A. PRINCIPAL EXECUTIVE OFFICERS AND MANAGEMENT PERSONS**

Jack McCord is President, and Chief Compliance Officer of Vari Investor Services, Inc. A full description of his formal education and background is stated under Item 4: Advisory Business.

**B. OTHER BUSINESS**

A full description of the business Vari Investor Services, Inc., is engaged in can be found under Item 4: Advisory Business.

**C. PERFORMANCE BASED FEES**

Neither Vari Investor Services, Inc., nor any supervised person is compensated for advisory services with performance-based fees.

**D. LIABILITY CLAIMS**

Neither Vari Investor Services, Inc., nor any management person has been involved in an award or has otherwise been found liable in an arbitration claim or in a civil, self-regulatory organization, or administrative proceeding.

**E. RELATIONSHIPS OR ARRANGEMENTS WITH ISSUERS OF SECURITIES**

Neither Vari Investor Services, Inc., nor any management person, has any relationship or arrangement that is material to the Vari advisory business or to Vari clients with any issuer of securities.

**Part 2B of Form ADV: *Brochure Supplement***

**Item 1 Cover Page**

**DISCLOSURE STATEMENT - PART 2B Form ADV - BROCHURE SUPPLEMENT**

as of **January 15, 2021**

**Jack T. McCord**, President and Chief Executive Officer

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La Jolla, CA 92037-4325

Telephone: 858-454-3557 Fax: 858-454-3559

[Jack@Vari-Inc.com](mailto:Jack@Vari-Inc.com)  
[www.Vari-Inc.com](http://www.Vari-Inc.com)

## Item 2 Educational Background and Business Experience

Jack T. McCord has a Bachelor of Arts degree in economics from Grinnell College. He also holds the professional designation of Certified Financial Planner (CFP)\* which was granted in 1975. In 1983 he was one of the first to be admitted to the Registry of Financial Planning Practitioners. He has also been admitted to the ICFP Registry of CFP Licensed Practitioners.

From May 1981 to June of 1985 he served as executive vice president of Financial Planning Advisors Inc. in La Jolla, California. He became the president of Vari Investor Services in 1982. Prior to this he was an owner, founder, and officer of Financial Planning Consultants, Inc., a San Diego based Registered Investment Advisor which specialized in the preparation and implementation of financial plans for individuals and small corporations.

He began his career with the Investment Management Trust of Boston in 1967 and continued by working as a portfolio manager with Mansfield Mills, Inc. in La Jolla from 1971 to 1973. His career was interrupted from 1968 to 1970 when he served as a Peace Corps volunteer helping to establish multipurpose farmers' cooperatives in Malaysia.

He is a past president of the San Diego Chapter of the International Association for Financial Planning and served for four years on the National Board of Directors of the Institute of Certified Financial Planners. He also served on the Board of Governors of the Certified Financial Planner Board of Standards from 1992 to 1996.

\* To attain the right to use the CFP marks, an individual must satisfactorily fulfill the following requirements:

**Education:** Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board's studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor's Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning.

**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.

**Experience:** Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year).

**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 of the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field.

**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 would result in suspension or permanent revocation of their CFP certification.

### **Item 3 Disciplinary Information**

Jack T. McCord has never been disciplined for any infraction while in practice as a financial planner or investment advisor.

### **Item 4 Other Business Activities**

Jack T. McCord does not engage in any business activities which would be deemed to create a material conflict of interest or require a substantial amount of time away from his duties as a financial planner and investment advisor.

### **Item 5 Additional Compensation**

Jack T. McCord has no arrangements with clients or vendors which provide additional compensation with regard to his financial planning and investment advisory practice.

### **Item 6 Supervision**

Jack T. McCord is President and CEO of Vari Investor Services, Inc. and a financial planner and investment advisor of the firm. Accounts are reviewed by him on a quarterly basis. This takes the form of a written review to the client which details the starting value for the quarter, the gain or loss achieved, the ending value and the fee due. Each client also receives a management report which reviews the actions taken in their account(s) and the performance of their account(s) both for the current quarter and the year to date. Management fees are frequently deducted from the client's accounts pursuant to a written agreement.

Financial plans are reviewed by an officer of the company at the request of the client or according to the frequency instructions in an agreement signed by the client for periodic reviews.

Aside from quarterly reviews, accounts are reviewed from time to time for the following reasons: buying or selling assets; dramatic market movements; change in the outlook for the economy, earnings, and/or interest rates; decline in a certain section of the market; and individual clients' circumstances or changes.

### **Item 7 Requirements for State Registered Advisers**

Mr. McCord has not been found liable in any arbitration claim alleging damages in excess of \$2,500, nor in any civil, self-regulatory organization, or administrative proceeding, nor has he been the subject of a bankruptcy petition.