

**Item 1 Cover Page**

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**FORM ADV, Part 2**

**Dated: 03-31-2021**

**THE BROCHURE**

This brochure provides information about the qualifications and business practices of MRM Financial Advisors, LLC (MRM) (Adviser). If you have any questions about the contents of this brochure, please contact us at 214-969-0400. 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.

MRM Financial Advisors, LLC is a state registered investment adviser. By using “registered investment adviser” or “registered” while describing the company does not imply a certain level of skill or training.

Additional information about MRM Financial Advisors, LLC is also available on the website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 Material Changes**

Since the annual filing for MRM’s Form ADV, Part 2 in January 2019 there are no material changes. This brochure reflects the changes required to the content and format of Form ADV, Part 2 required by the SEC.

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## **Item 4 Advisory Business**

Advisory and financial planning service is offered by MRM Financial Advisors, LLC. MRM Financial Advisors, LLC was formed in October of 2017. The owners are Brett Mills and John Mills.

## **Education and Business Background**

John joined the McCarthy, Rose & Mills, LLP accounting firm 47 years ago, and has served as its Managing Partner for over 40 years. John worked at the Big 4 accounting firm Ernst and Ernst (now known as EY) as an auditor after graduating from Texas Tech University. John holds three professional licenses – CPA Certified Public Accountant, CFE Certified Fraud Examiner, and PFS Personal Financial Specialist.

Brett joined the McCarthy, Rose & Mills, LLP accounting firm 14 years ago and has been a Partner for 4 years. Brett graduated from Southern Methodist University with a MIS degree, and worked as a software engineer for 5 years. Brett holds two professional licenses – CPA Certified Public Accountant, and PFS Personal Financial Specialist. Brett was honored by CPA Practice Advisor as their 2016 40 Under 40 honoree.

## **Other Business Activities**

John B. Mills and Brett Mills are actively engaged as Certified Public Accountants (CPA) with the accounting firm McCarthy, Rose & Mills, LLP. Annually, approximately 1600 hours each are spent on accounting, and 800 hours each on advisory services.

## **Types of Advisory Services**

The clients of MRM receive fully customized information regarding their specific needs as a family or organization. Each client's specific information is weighed and examined in order to implement an Investment Policy Statement that is unique to their needs and identifies their security objectives and restrictions.

The required information to draft a financial plan is gathered through in-depth personal client interviews. Information gathered includes the client's current financial status, current and future goals and attitudes toward risk. The client is asked to provide various documents to support the information gathered during these interviews and to promptly notify Adviser of any material changes by the client or otherwise material to the client's financial situation, investment objective, time horizon, risk tolerance and investment strategy.

Clients may impose restrictions on investing in certain securities or types of securities. Securities in client's portfolios may not be purchased using margin. All trades will be referred to an unaffiliated broker/dealer for execution. Portfolio accounts are nondiscretionary accounts and Adviser will seek client approval prior to purchasing or repositioning assets. As of December 31, 2020 client assets under management by MRM Financial Advisors, LLC were \$21,587,361.

## **Item 5 Fees and Compensation**

MRM and Client establish the Annual Advisory Fee based upon assets under management. Advisory fees are negotiable, with standard fees of 1 %, up to a maximum of 2%, specified in the Client Agreement. Financial Plans are an integral part of advisory services and are used as a planning tool at no additional charge. Financial Plans may be prepared for non-advisory clients based upon the level of service provided with an estimated fee quoted in advance of all work being performed.

Advisory Clients are provided with an invoice outlining the following:

- (1) The value of the client's account on which the advisory fee will be calculated.
- (2) Identification or disclosure of the advisory fee and the amount of the fee to be deducted from the client's account.
- (3) Disclosure to the client that it is the client's responsibility to verify the accuracy of the fee calculation and that the custodian will not determine whether the fee is properly calculated.

All of clients' accounts under management with Adviser will be aggregated together to determine the annual fee breakpoint if applicable.

Fees are invoiced in arrears quarterly based upon funds under management on the last business day of each calendar quarter. Advisor will bill pro-rata on contribution and distributions made during the quarter. Clients will receive a statement from the custodian reflecting the withdrawal of fees.

Portfolios shall bear mutual fund/equity/ETF and fixed income transaction costs. Transaction costs are not commissions; they are clearing costs charged by the designated clearing fund on the account.

### **Termination**

Client may terminate their agreement with MRM within five business days of signing their agreement without incurring any charges. Client or Adviser may terminate their agreement at any time and for any reason, upon thirty (30) days written notice to the other party. Upon notice of termination Adviser will await further instructions from client as to what steps client requests to liquidate and/or transfer the portfolio and remit the proceeds. Client will be advised to review the prospectus or offering document for information on features that may limit or impair the ability to sell or transfer an asset.

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

MRM does not charge any performance fees. Some investment advisers experience conflicts of interest in connection with side-by-side management of accounts with different fee structures. However, these conflicts of interest are not applicable to MRM.

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

MRM provides a full range of investment services for its clients, including individuals, high-net-worth individuals, family limited partnerships, corporations, trusts, or other legal entities.

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

MRM performs fundamental security analysis methods utilizing proprietary and commercially available planning software to analyze client's plan. Sources of information include financial newspapers and magazines, research materials prepared by others, corporate rating services, annual reports, prospectuses, filings with the Securities and Exchange Commission, and Company press releases.

### **General Risk of Loss Statement**

Prior to investing in investment securities, clients of MRM should consider the following:

- Investing in securities involves risk of loss, including the loss of principal.
- All securities and markets experience varying degrees of volatility.
- The portfolio value may fluctuate at any given time and may be worth more or less than the amount originally implemented.
- Past performance is not indicative of future performance.

### **Item 9 Disciplinary Information**

MRM has not been involved in any legal or disciplinary events that would be material to a client's evaluation of the company or its personnel.

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

MRM nor any employee is registered, or has an application pending to register as a broker-dealer or a registered representative of a broker-dealer.

MRM nor any employee is registered, or has an application pending to register as a futures commission merchant, commodity pool operator or a commodity trading advisor.

MRM nor any employee is affiliated or has an arrangement with another financial industry, entity or activity.

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

MRM and employees shall comply with all applicable federal and state laws and rules and regulations of any governmental agency or self-regulatory organization as well as MRM's established office procedures. MRM shall exercise diligence and thoroughness and shall have a reasonable basis for any investment action or investment recommendation. MRM and employees shall have and maintain knowledge of and shall comply with the provisions of the Code of Ethics contained in the MRM Financial Advisors, LLC Written Supervisory Policies and Procedures Manual which is available for inspection at the office of MRM or by submitting a request in writing.

MRM prefers to recommend to Clients securities it is confident in holding in its own accounts. Clients are advised by MRM when it buys or sells a fund held by both Client and Adviser.

## **Item 12 Brokerage Practices**

MRM is the Investment Manager for Clients and Schwab is the broker-dealer for the Clients. Schwab Institutional®, a division of Charles Schwab & Co. Inc. (Schwab), a FINRA-registered broker-dealer, member SIPC, maintains custody of Clients' assets and effects trades for their accounts. Schwab provides products and services designed specifically for Investment Managers and their clientele. Such products and services include, without limitation, product and account services and information and resource services.

MRM is independently owned and operated and not affiliated with Schwab. Schwab provides MRM with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor's Clients' assets are maintained in accounts at Schwab Institutional. These services are not contingent upon MRM committing to Schwab any specific amount of business (assets in custody or trading commissions). Schwab's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds for which investors would customarily be required to have a significantly higher minimum initial investment.

For MRM Client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through

commissions and other transaction-related or asset fees or other investments that are otherwise generally available only to institutional-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts. MRM does not charge commissions or other such soft dollar benefits.

Schwab Institutional will also make available to MRM other products and services that assist MRM in managing and administering Clients' accounts, including software and other technology that provides access to Client account data (such as trade confirmations and account statements); facilitates trade execution and allocates aggregated trade orders for multiple client accounts; provide research, pricing and other market data; facilitates payment of MRM fees from its clients' accounts; and assist with back-office functions, recordkeeping and client reporting.

Schwab Institutional also offers other services intended to help MRM manage and further develop its business enterprise.

### **Item 13 Review of Accounts**

Accounts are monitored by MRM on an ongoing basis and reviewed on a quarterly basis. Stop/loss reports are updated and monitored regularly. Capital market conditions and client circumstances are considered and portfolio adjustments are made as appropriate to reflect any significant changes that might occur.

Clients receive written consolidated reports on a quarterly basis and meetings are scheduled to go over the reports. Additionally, the client receives account statements from the broker dealer, bank or other qualified custodian and the clients should carefully review those statements. Furthermore, we urge the clients to compare the account statements they receive from the qualified custodian with those they receive from MRM. Any recommended changes or rebalancing in investments designed to assure alignments with the client's stated asset allocation are fully documented and approved by the client prior to any action being taken.

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

MRM does not directly or indirectly compensate any person for client referrals.

### **Item 15 Custody**

All clients' accounts are held in custody by unaffiliated broker/dealers.

### **Item 16 Investment Discretion**

MRM does not have investment discretion over its client's accounts.

### **Item 17 Voting Client Securities**

MRM does not have the authority to vote for its client's securities.

### **Item 18 Financial Information**

MRM does not require prepayment of fees and will not have discretionary authority or custody of client's funds or securities.

MRM has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts.

## **Confidentiality and Privacy Policy**

Financial services professionals, as well as all other providers of financial services to consumers, are now required by law to inform clients and prospective clients about their policies regarding the privacy of information. MRM goes to great lengths to protect the privacy of clients' personal financial information. We have always considered the protection of sensitive information to be a sound business practice and a foundation of client trust. We employ extensive information protection controls in keeping with industry standards and practices, and we regularly adapt these physical electronic and procedural controls to respond to changing requirements and advances in technology. We restrict access to clients' information to those who require that access in order to provide services to you. We do not disclose any nonpublic information about you except as required by law.

The information we collect is used primarily to maintain your account and process your transactions and generally falls into one of the following categories:

- Information, such as your address, Tax Identification number, your date of birth, income, and investment profile that you provide on account applications or during your business relationship with us.
- Account information, such as your investment choices, account balances, and transaction history.
- Personal information about you, such as employment, estimated household income and investable assets.

Our firm will not disclose confidential information to third parties, including the client's other family members, without the client's express written authorization, except as may be necessary for the following purposes: to establish, service and maintain records and accounts and to handle transactions on the client's behalf, and to comply with legal and regulatory requirements. We do not provide client names to anyone or any entity.

Our firm maintains internal administrative, electronic, and physical safeguards to protect client information. We regularly review these safeguards and adjust them as appropriate. Security for clients' data is provided by locking our files in secure cabinets. Information on all clients is maintained for the periods legally required. We treat information about our former clients with the same care we take with current clients' information. Shredding of obsolete or retired files is done under supervision on-site by licensed providers.

Employees are trained periodically with respect to cybersecurity. Extensive use of firewall barriers, encryption techniques, and authentication procedures are employed. An independent third party is periodically retained to perform an information technology risk assessment.

We appreciate and take seriously your trust in us and our ability to safeguard your personal information. Should you have any questions regarding your privacy and confidential information, please feel free to contact us at our office, located at 3001 Dallas Parkway, Ste. 750, Frisco TX, 75034; or by telephone at 214-969-0400.

**Anti-Money-Laundering**

Anti-money-laundering guidelines are practiced and are incorporated in the MRM Financial Advisors, LLC Written Supervisory Policies and Procedures Manual.