

Taylor Securities Services, Inc. Firm Brochure - Form ADV Part 2A



This brochure provides information about the qualifications and business practices of Taylor Securities Services, Inc.. If you have any questions about the contents of this brochure, please contact us at (717) 232-5808 or by email at: Matt@taylorsecurities.com. 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 Taylor Securities Services, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov. Taylor Securities Services, Inc.'s CRD number is: 304070.

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Registration as an investment adviser does not imply a certain level of skill or training.

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Item 2: Material Changes

Taylor Securities Services, Inc. has not yet filed an annual updating amendment using the Form ADV Part 2A. Therefore there are no material changes to report.

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Item 4: Advisory Business

A. Description of the Advisory Firm

Taylor Securities Services, Inc. (hereinafter "TSSI") is a Corporation organized in the State of Pennsylvania. The firm was formed in August 2017, and the principal owner is Matthew Alan Taylor.

B. Types of Advisory Services

Financial Planning

Financial plans and financial planning may include, but are not limited to: investment planning; life insurance; tax concerns; retirement planning; college planning; and debt/credit planning.

Services Limited to Specific Types of Investments

TSSI generally limits its investment advice to mutual funds, insurance products including annuities and ETFs, although TSSI primarily recommends hedged equity funds. TSSI may use other securities as well to help diversify a portfolio when applicable.

C. Client Tailored Services and Client Imposed Restrictions

TSSI offers the same suite of services to all of its clients. However, specific client investment strategies and their implementation are dependent upon the client's current situation (income, tax levels, and risk tolerance levels). Clients may not impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs.

D. Wrap Fee Programs

TSSI acts as portfolio manager and sponsor for a wrap fee program, which is an investment program where the client pays one stated fee that includes management fees, transaction costs, and certain other administrative fees. However, this brochure describes TSSI's non-wrap fee advisory services; clients utilizing TSSI's wrap fee portfolio management should see TSSI's separate Wrap Fee Program Brochure. TSSI manages the investments in the wrap fee program, but does not manage those wrap fee accounts any differently than it would manage non-wrap fee accounts. TSSI receives the advisory fee set forth in Item 5 below as a management fee under the wrap fee program. Please also see Item 5 and Item 12 of this brochure.

E. Assets Under Management

TSSI has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$31,434,419	\$0	July 2019

Item 5: Fees and Compensation

A. Fee Schedule

Financial Planning Fees

Fixed Fees

The negotiated fixed rate for creating client financial plans is between \$500 and \$5,000.

Clients may terminate the agreement without penalty, for full refund of TSSI's fees, within five business days of signing the Financial Planning Agreement. Thereafter, clients may terminate the Financial Planning Agreement generally upon written notice.

B. Payment of Fees

Payment of Financial Planning Fees

Financial planning fees are paid via check.

Fixed financial planning fees are paid 100% in advance, but never more than six months in advance.

C. Client Responsibility For Third Party Fees

Clients are responsible for the payment of all third party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by TSSI. Please see Item 12 of this brochure regarding broker-dealer/custodian.

D. Prepayment of Fees

TSSI collects fees in advance. Refunds for fees paid in advance but not yet earned will be refunded on a prorated basis and returned within fourteen days to the client via check.

Fixed fees that are collected in advance will be refunded based on the prorated amount of work completed at the point of termination.

E. Outside Compensation For the Sale of Securities to Clients

Neither TSSI nor its supervised persons accept any compensation for the sale of investment products, including asset-based sales charges or service fees from the sale of mutual funds.

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

TSSI does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

Item 7: Types of Clients

TSSI generally provides advisory services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals

There is no account minimum for any of TSSI's services.

Item 8: Methods of Analysis, Investment Strategies, & Risk of Loss

A. Methods of Analysis and Investment Strategies

Methods of Analysis

TSSI's methods of analysis include Fundamental analysis.

Fundamental analysis involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

Investment Strategies

TSSI uses long term trading and options trading (including covered options, uncovered options, or spreading strategies).

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

B. Material Risks Involved

Methods of Analysis

Fundamental analysis concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

Investment Strategies

TSSI's recommendation of options trading generally holds greater risk, and clients should be aware that there is a material risk of loss using any of those strategies.

Long term trading is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

Options transactions involve a contract to purchase a security at a given price, not necessarily at market value, depending on the market. This strategy includes the risk that an option may expire out of the money resulting in minimal or no value, as well as the possibility of leveraged loss of trading capital due to the leveraged nature of stock options.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

C. Risks of Specific Securities Utilized

TSSI's recommendation of options trading generally holds greater risk of capital loss. Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below are not guaranteed or insured by the FDIC or any other government agency.

Mutual Funds: Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond "fixed income" nature (lower risk) or stock "equity" nature.

Exchange Traded Funds (ETFs): An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance.

Annuities are a retirement product for those who may have the ability to pay a premium now and want to guarantee they receive certain monthly payments or a return on investment later in the future. Annuities are contracts issued by a life insurance company designed to meet requirement or other long-term goals. An annuity is not a life insurance policy. Variable annuities are designed to be long-term investments, to meet retirement and other long-range goals. Variable annuities are not suitable for meeting short-term goals because substantial taxes and insurance company charges may apply if you withdraw your money early. Variable annuities also involve investment risks, just as mutual funds do.

Options are contracts to purchase a security at a given price, risking that an option may expire out of the money resulting in minimal or no value. An uncovered option is a type of options contract that is not backed by an offsetting position that would help mitigate risk. The risk for a “naked” or uncovered put is not unlimited, whereas the potential loss for an uncovered call option is limitless. Spread option positions entail buying and selling multiple options on the same underlying security, but with different strike prices or expiration dates, which helps limit the risk of other option trading strategies. Option transactions also involve risks including but not limited to economic risk, market risk, sector risk, idiosyncratic risk, political/regulatory risk, inflation (purchasing power) risk and interest rate risk.

Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

Item 9: Disciplinary Information

A. Criminal or Civil Actions

There are no criminal or civil actions to report.

B. Administrative Proceedings

There are no administrative proceedings to report.

C. Self-regulatory Organization (SRO) Proceedings

There are no self-regulatory organization proceedings to report.

Item 10: Other Financial Industry Activities and Affiliations

A. Registration as a Broker/Dealer or Broker/Dealer Representative

Neither TSSI nor its representatives are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer.

B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor

Neither TSSI nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests

Matthew Alan Taylor is an investment adviser representative with another investment advisory firm, Brookstone Capital Management, and from time to time, may offer clients advice or products from those activities and clients should be aware that these services may involve a conflict of interest. TSSI always acts in the best interest of the client and clients are in no way required to use the services of any representative of TSSI in connection with such individual's activities outside of TSSI.

Matthew Alan Taylor is a licensed insurance agent with Taylor Retirement Services, Inc., and from time to time, will offer clients advice or products from those activities. Clients should be aware that these services pay a commission or other compensation and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. TSSI always acts in the best interest of the client; including the sale of commissionable products to advisory clients. Clients are in no way required to utilize the services of any representative of TSSI in connection with such individual's activities outside of TSSI.

Matthew Alan Taylor acts as a sponsor, general partner, or managing member of TD Ameritrade and from time to time, may offer clients advice or products from those activities and clients should be aware that these services may involve a conflict of interest. TSSI always acts in the best interest of the client and clients are in no way required to utilize the services of any representative of TSSI in connection with such individual's activities outside of TSSI.

D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections

TSSI does not utilize nor select third-party investment advisers.

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

A. Code of Ethics

TSSI has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. TSSI's Code of Ethics is available free upon request to any client or prospective client.

B. Recommendations Involving Material Financial Interests

TSSI does not recommend that clients buy or sell any security in which a related person to TSSI or TSSI has a material financial interest.

C. Investing Personal Money in the Same Securities as Clients

From time to time, representatives of TSSI may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of TSSI to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. TSSI will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

D. Trading Securities At/Around the Same Time as Clients' Securities

From time to time, representatives of TSSI may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of TSSI to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, TSSI will never engage in trading that operates to the client's disadvantage if representatives of TSSI buy or sell securities at or around the same time as clients.

Item 12: Brokerage Practices

A. Factors Used to Select Custodians and/or Broker/Dealers

Custodians/broker-dealers will be recommended based on TSSI's duty to seek "best execution," which is the obligation to seek execution of securities transactions for a client

on the most favorable terms for the client under the circumstances. Clients will not necessarily pay the lowest commission or commission equivalent.

TSSI will require clients to use TD Ameritrade Institutional, a division of TD Ameritrade, Inc. Member FINRA/SIPC.

1. Research and Other Soft-Dollar Benefits

TSSI does not trade client's accounts and therefore receives no research, product, or services from a broker-dealer ("soft dollar benefits").

2. Brokerage for Client Referrals

TSSI receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

3. Clients Directing Which Broker/Dealer/Custodian to Use

TSSI will require clients to use a specific broker-dealer to execute transactions. Not all advisers require clients to use a particular broker-dealer.

B. Aggregating (Block) Trading for Multiple Client Accounts

TSSI does not trade clients' accounts and therefore does not have the ability to block trade purchases across accounts.

Item 13: Review of Accounts

A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews

All financial planning accounts are reviewed upon financial plan creation and plan delivery by Shawn Mullarkey, Advisor. Financial planning clients are provided a one-time financial plan concerning their financial situation. After the presentation of the plan, there are no further reports. Clients may request additional plans or reports for a fee.

B. Factors That Will Trigger a Non-Periodic Review of Client Accounts

With respect to financial plans, TSSI's services will generally conclude upon delivery of the financial plan.

C. Content and Frequency of Regular Reports Provided to Clients

Each financial planning client will receive the financial plan upon completion.

Item 14: Client Referrals and Other Compensation

A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)

TSSI participates in the institutional advisor program (the "Program") offered by TD Ameritrade. TD Ameritrade offers to independent investment advisor services which include custody of securities, trade execution, clearance and settlement of transactions. TSSI receives some benefits from TD Ameritrade through its participation in the Program.

As disclosed above, TSSI participates in TD Ameritrade's institutional advisor program and TSSI may recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between TSSI's participation in the Program and the investment advice it gives to its clients, although TSSI receives economic benefits through its participation in the Program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving TSSI participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have TSSI's fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to TSSI by third party vendors. TD Ameritrade may also pay for business consulting and professional services received by TSSI's related persons. Some of the products and services made available by TD Ameritrade through the Program may benefit TSSI but may not benefit its client accounts. These products or services may assist TSSI in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help TSSI manage and further develop its business enterprise. The benefits received by TSSI or its personnel through participation in the Program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, TSSI endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by TSSI or its related persons in and of itself creates a conflict of interest and may indirectly influence the TSSI's choice of TD Ameritrade for custody and brokerage services.

B. Compensation to Non - Advisory Personnel for Client Referrals

TSSI does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

Item 15: Custody

TSSI does not take custody of client accounts at any time. Custody of client's accounts is held primarily at the client's custodian. Clients will receive account statements from the custodian and should carefully review those statements for accuracy.

Item 16: Investment Discretion

TSSI does not have discretion over client accounts at any time.

Item 17: Voting Client Securities (Proxy Voting)

TSSI acknowledges its fiduciary obligation to vote proxies on behalf of those clients that have delegated to it, or for which it is deemed to have, proxy voting authority. TSSI will vote proxies on behalf of a client solely in the best interest of the relevant client and has established general guidelines for voting proxies. TSSI may also abstain from voting if, based on factors such as expense or difficulty of exercise, it determines that a client's interests are better served by abstaining. Further, because proxy proposals and individual company facts and circumstances may vary, TSSI may vote in a manner that is contrary to the general guidelines if it believes that doing so would be in a client's best interest to do so. If a proxy proposal presents a conflict of interest between TSSI and a client, then TSSI will disclose the conflict of interest to the client prior to the proxy vote and, if participating in the vote, will vote in accordance with the client's wishes.

Clients may obtain a complete copy of the proxy voting policies and procedures by contacting TSSI in writing and requesting such information. Each client may also request, by contacting TSSI in writing, information concerning the manner in which proxy votes have been cast with respect to portfolio securities held by the relevant client during the prior annual period.

Item 18: Financial Information

A. Balance Sheet

TSSI neither requires nor solicits prepayment of more than \$500 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients

Neither TSSI nor its management has any financial condition that is likely to reasonably impair TSSI's ability to meet contractual commitments to clients.

C. Bankruptcy Petitions in Previous Ten Years

TSSI has not been the subject of a bankruptcy petition in the last ten years.

Item 19: Requirements For State Registered Advisers

A. Principal Executive Officers and Management Persons; Their Formal Education and Business Background

TSSI currently has only one management person: Matthew Alan Taylor. Education and business background can be found on the individual's Form ADV Part 2B brochure supplement.

B. Other Businesses in Which This Advisory Firm or its Personnel are Engaged and Time Spent on Those (If Any)

Other business activities for each relevant individual can be found on the Form ADV Part 2B brochure supplement for each such individual.

C. Calculation of Performance-Based Fees and Degree of Risk to Clients

TSSI does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

D. Material Disciplinary Disclosures for Management Persons of this Firm

There are no civil, self-regulatory organization, or arbitration proceedings to report under this section.

E. Material Relationships That Management Persons Have With Issuers of Securities (If Any)

See Item 10.C and 11.B.