

Item 1: Cover Sheet

INFORMATIONAL BROCHURE



BRENDEL FINANCIAL ADVISORS

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John J. Brendel, Jr.

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This brochure provides information about the qualifications and business practices of Brendel Financial Advisors LLC. If you have any questions about the contents of this brochure, please contact us at 603-643-4441. 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. Brendel Financial Advisors LLC is a registered investment adviser. Registration does not imply any certain level of skill or training.

Additional information about Brendel Financial Advisors, LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2: Statement of Material Changes

There are no material changes to report.

Item 3: Table of Contents

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INFORMATIONAL BROCHURE
Brendel Financial Advisors LLC

Item 4: Advisory Business

Brendel Financial Advisors LLC (hereinafter “BFA”) has been in business since June, 2017. John J. Brendel, Jr. is the firm’s principal owner and has over 30 years of experience in the business of providing investment advice to clients.

BFA provides personalized financial planning, consulting, and/or investment management services. Clients advised may include individuals, pension and profit sharing plans, trusts, estates, charitable organizations, and corporations.

Financial Planning

In most cases, the client will supply to BFA information including income, investments, savings, insurance, age and many other items that are helpful in assessing financial goals. The information is typically gathered through personal interviews and supplemented with written information. Once the information is received, we discuss your financial needs and goals with you and assess your current financial situation suitability for the goals you state. Once our assessment is complete, we recommend and help you implement a financial and/or investment plan to help you meet your goals.

The plan is intended to be a suggested blueprint of how to meet your goals. Not every plan is the same for every client. Because the plan is based on information supplied by you, it is very important that you accurately and completely communicate to us the information we need. Also, your circumstances and needs may change as your circumstances and engagement with us progresses. It is essential that you continually update us with any changes. If the updates require changes to your plan, we will make recommendations to meet new goals and assist you with other updates. Allowing your plan to become out-of-date may have unexpected consequences.

If you request, BFA may recommend the services of other professionals for implementation purposes. You are under no obligation to engage the services of any recommended professional. You retain absolute discretion over all such decisions and are free to accept or reject any recommendation from BFA. If you engage any professional recommended by BFA and a dispute arises thereafter relative to such engagement, you agree to seek recourse exclusively from and against the engaged professional.

Asset Management

Asset management services may be provided on a “discretionary” or “non-discretionary” basis. When BFA is engaged to provide asset management services on a discretionary basis, we will monitor your accounts to ensure they are meeting your asset allocation requirements. If any changes are needed to your investments, we will make the changes. These changes may involve selling a security or group of investments and buying others or keeping the proceeds in cash. You may at any time place restrictions on the types of investments we may use on your behalf or on the allocations to each security type. You will receive written or electronic confirmations from the account custodian after any changes are made to your account. You will also receive, at minimum, quarterly statements from the account custodian. Clients engaging us on a discretionary basis will be asked to execute a Limited Power of Attorney (granting us the discretionary authority over the client accounts) as well as an agreement that outlines the responsibilities of both the client and BFA.

When a client engages us to provide investment management services on a non-discretionary basis, we monitor the accounts in the same way as for discretionary services. The difference is that changes to your account will not be made until we have confirmed with you (either verbally or in writing) that our proposed change is acceptable to you.

Out of Scope Consulting

From time to time, BFA may be engaged to perform consulting outside the scope of traditional financial planning or asset management services. Consulting topics by their nature vary greatly, but may include discussions regarding a client’s business, real estate, or other personal assets. Clients who engage BFA to provide such consulting services will generally be required to execute a Consulting Agreement.

Asset Under Management

As of December 31, 2017, BFA had \$182,365,899 of assets under management across 546 accounts. Of that total, \$37,558,572 was managed on a non-discretionary basis across 30 accounts.

Item 5: Fees and Compensation

A. Fees Charged

All clients are required to execute a written agreement describing the type of services provided and the fees, among other items.

Financial Planning

Financial planning fees can be hourly, fixed fee basis, or included with asset management services. Our hourly charge is between \$150 and \$250 per hour. Fixed fees will be between \$500 and \$4,000. The fee range stated is a guide. Fees may be higher or lower than this range, based on the nature of the engagement. Fees are negotiable and will depend on the anticipated complexity of your plan.

Asset Management

Transition Fee: At the onset of each asset management relationship, each client will be charged an initial Transition Fee. This fee is a one-time, fixed fee intended to cover the costs related to the transition analysis and other initial set up work to get a client's portfolio in order. The amount of the Transition Fee will vary, based on the amount of asset value, the accuracy and completeness of information provided by the client, the number of different locations and security types in the client's current overall portfolio, the types of securities in the client's overall portfolio, and any other facts or circumstances that might make a given client's case more or less complex, and therefore require a longer or more intensive transition process. Generally, Transition Fees will vary from approximately \$500 to \$4,000, but may be higher or lower depending upon the circumstances listed above.

Ongoing Asset Management Fee: Generally, ongoing asset management fees vary from 0.75% to 2.00% per annum of the market value of a client's assets managed by BFA. In calculating the market value of a client's assets, assets allocated to cash or a cash proxy, such as a money market account, will be included in the calculation of assets under management. The fee range stated is a guide. Fees are negotiable, and may be higher or lower than this range, based on the nature of the account. Factors affecting fee percentages include the size of the account, complexity of asset structures, and other factors. All clients, but especially those with smaller accounts, should be advised they may receive similar services from other professionals for higher or lower overall costs.

Consulting

Consulting fees can be hourly, fixed fee basis, or included with asset management services. Our hourly charge is between \$150 and \$250 per hour. Fixed fees will be between \$500 and \$4,000. The fee range stated is a guide. Fees may be higher or lower than this range, based on the nature of the engagement. Fees are negotiable, and will depend on the anticipated complexity of the services to be provided.

Fee Payment

Fees for financial planning and/or consulting are billed in advance. If the client terminates the agreement prior to completion of the services, any unearned fees will be returned to the client. Clients should be aware that a large percentage of work for a planning project is

performed at the early stage of engagement and therefore return of fees may not correlate to the duration of the engagement.

Transition Fees will generally be debited from the clients account upon receipt of the client's assets under BFA's management. However, at the discretion of BFA, the Transition Fee may be billed separately to each client.

Ongoing asset management fees will be deducted directly from each client's account. The advisory fee is paid quarterly, in advance, and the value used for the fee calculation is net value as of the last market day of the previous quarter. This means that we will multiply your asset value by the applicable annual fee rate. This result will then be divided by the number of days in the year, and then multiplied by the number of days in the particular billing quarter. For example, if your fee is 1% and the value of your portfolio is \$100,000 your annual advisory fee is \$1,000. Thus, your quarterly fee will be approximately \$250, depending on the number of days in that particular quarter. Once the calculation is made, we will instruct your account custodian to deduct the fee from your account and remit it to BFA.

B. Other Fees

There are a number of other fees that can be associated with holding and investing in securities. You will be responsible for fees including transaction fees for the purchase or sale of a mutual fund or Exchange Traded Fund, or commissions for the purchase or sale of a stock. Expenses of a fund will not be included in management fees, as they are deducted from the value of the shares by the mutual fund manager. For complete discussion of expenses related to each mutual fund, you should read a copy of the prospectus issued by that fund. BFA can provide or direct you to a copy of the prospectus for any fund that we recommend to you.

Please make sure to read Item 12 of this informational brochure, where we discuss broker-dealer and custodial issues.

C. *Pro-rata* Fees

If you become a client during a quarter, you will pay a management fee for the number of days left in that quarter. If you terminate our relationship during a quarter, you will be entitled to a refund of any management fees for the remainder of the quarter. Once your notice of termination is received, we will refund the unearned fees to you in whatever way you direct (check, wire back to your account). BFA will cease to perform services, including processing trades and distributions, upon termination. Assets not transferred from terminated accounts within thirty (30) days of termination may be "de-linked", meaning they will no longer be visible to BFA and will become a retail account with the custodian.

D. Compensation for the Sale of Securities

Certain professionals of BFA are registered representatives of Purshe Kaplan Sterling Investments (“PKS”), a FINRA member broker-dealer. Because PKS supervises the activities of these professionals as registered representatives of PKS, the relationship may be deemed material. However, PKS is not affiliated with BFA or considered a related party. PKS does not make investment decisions for client accounts. Registered representative status enables these professionals to receive customary commissions for the sales of variable annuity products, including those recommended to clients. Commissions charged for these products will not offset management fees owed to BFA.

Receipt of commissions for investment products that are recommended to clients gives rise to a conflict of interest for the representative; the individual who receives the commission is recommending that the client purchase a given product. This conflict is disclosed to clients verbally and in this brochure. Clients are advised that they may choose to implement any investment recommendation through another broker-dealer that is not affiliated with BFA. BFA attempts to mitigate this conflict by requiring that all investment recommendations are made from a sound basis, and by requiring employees to acknowledge their fiduciary responsibility toward each client.

Item 6: Performance-Based Fees

BFA will not charge performance based fees.

Item 7: Types of Clients

BFA provides personalized financial planning, consulting, and/or investment management services. Clients advised may include individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, and persons or entities located outside the United States. BFA requires a \$100,000 account minimum which may be waived at their discretion.

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

It is important for you to know and remember that all investments carry risks. Investing in securities involves risk of loss that clients should be prepared to bear.

At the onset of the client relationship, BFA will conduct a transition analysis. This transition analysis will begin with information gathering from the client, including location and identity of existing investments, review of client's portfolios, consideration of tax status and review of tax history, discuss the client's investment objectives, risk tolerance, and any potential investment restrictions, and effect the transition for the client's assets from their current accounts to accounts managed by BFA. This transition process may take considerable time, depending on the client's availability to produce requested information, the accuracy and organization of the information presented, and the complexity of the case.

Once the transition process is complete, each client's portfolio will be invested according to that client's investment objectives. We determine these objectives by interviewing the client and/or asking the client to put these objectives in writing. Once we ascertain your objectives for each account, we will develop a set of asset allocation guidelines and then in most cases we place the assets in one of our five investment models, each with a different asset allocation strategy. An asset allocation strategy is a percentage-based allocation to different investment types. For example, a client may have an asset allocation strategy that calls for 40-60% of the portfolio to be invested in equity securities, with 20% of that allocated to international equities and the remaining balance in fixed income. Another client may have an asset allocation of 50% in fixed income securities and the remainder equities. The percentages in each type that we recommend are based on the typical behavior of that security type, individual securities we follow, current market conditions, your current financial situation, your financial goals, and timeline. Because we develop an investment strategy based on your personal situation and financial goals, your asset allocation guidelines may be similar to or different from another client's. Once we agree on allocation guidelines, risk tolerance and time horizon, we will develop a plan to guide all parties involved in the execution of these goals, including but not limited to, BFA, the client, the custodian, and the investment managers.

Upon execution of the plan, we will periodically recommend securities transactions in your portfolio to meet the guidelines of the asset allocation strategy. It is important to remember that because market conditions can vary greatly, your asset allocation guidelines are not necessarily strict rules. Rather, we review accounts individually, and may deviate from the guidelines as we believe necessary.

The specific securities we recommend for your account will depend on market conditions and our research at the time. We may recommend a mix of mutual funds, index funds, exchange traded funds, stocks, bonds, and options. Specific funds are chosen based on where its investment objective fits into the asset allocation recommended by BFA, its risk parameters, past performance, peer rankings, fees, expenses, and any other aspects of the fund BFA deems relevant. We base our conclusions on predominantly publicly available research, such as regulatory filings, press releases, competitor analyses, and in some cases research we receive from our custodian or other market analyses. We also utilize technical

analyses, which means that we will review the past behaviors of the security and the markets in which it trades for signals as to what might happen in the future.

The investment models are not investment products. Clients within the same investment program may have different needs. Accordingly, not all clients in each investment model will have the exact same percentages of each underlying investment.

The investment models utilized include:

Aggressive: All equities with a mix of growth, value, and sector funds. For clients who want to be fully invested in equities.

Growth: Equities with a mix of growth, value, and sector funds. Supported with 20% in fixed income investments.

Balanced: Equities with a mix of growth, value, and sector funds. Offset with 30% in fixed income investments.

Moderate: Equities with a mix of growth, value, and sector funds. Stabilized with 40% in fixed income investments

Conservative: Equities with a mix of growth, value, and sector funds. Counterbalanced with 50% in fixed income investments.

Most clients will place their assets with Schwab Advisor Services, our recommended custodian. However, some clients will place their assets with a custodian or broker-dealer of their choosing. This will not affect the investment decision making process for the client's account. However, the process for executing trades in an account may differ for assets held with other broker-dealers.

Additionally, part of the BFA process includes, where appropriate, involving multiple generations in order to facilitate family financial planning. This can increase the financial education of the later generations and manage expectations. However, potential for conflicts of interest exist with the exchange of intergenerational information. BFA attempts to minimize these conflicts by treating each household as its own fiduciary relationship. Information can only be shared across generations with each household's consent.

Third Party Managers

We may recommend that certain portions of a client's portfolio be managed by independent third-party managers or recommend direct investment with independent third-party managers, typically when those managers demonstrate knowledge and expertise in a particular investment strategy. No assets will be allocated to third party managers for non-

discretionary accounts without the prior permission of the client. Permission for such allocations will be obtained for each allocation.

We examine the experience, expertise, investment philosophies, and past performance of independent third-party investment managers in an attempt to determine suitability. We monitor the manager's underlying holdings, strategies, concentration and leverage as part of our overall periodic risk assessment. Additionally, as part of our due-diligence process, we survey the manager's compliance and business enterprise risks.

Based on a client's individual circumstances and needs, we determine which selected money manager's portfolio management style is appropriate for that client. Factors considered in making this determination include account size, risk tolerance, and the investment philosophy of the selected money manager. We encourage clients to review each third-party manager's disclosure document(s) regarding the particular characteristics of any program and managers selected by us.

We will regularly and continuously monitor the performance of the selected money managers. If we determine that a particular selected money manager is not providing sufficient management services to the client, or is not managing the client's portfolio in a manner consistent with the client's investment objectives, we will remove the client's assets from that selected money manager and place the client's assets with another money manager at our discretion and without prior consent from the client, unless the client's account is managed by us on a non-discretionary basis. Permission for non-discretionary accounts will be obtained before placing the client's assets with another money manager.

BFA will obtain appropriate due diligence on all independent third-party managers, making reasonable inquiries into their performance calculations, policies and procedures, code of ethics policies, and other operational and compliance matters to account for performance and risk management.

There are always risks to investing. Clients should be aware that all investments carry various types of risk including the potential loss of principal that clients should be prepared to bear. It is impossible to name all possible types of risks. Among the risks are the following:

- **Political Risks.** Most investments have a global component, even domestic stocks. Political events anywhere in the world may have unforeseen consequences to markets around the world.
- **General Market Risks.** Markets can, as a whole, go up or down on various news releases or for no understandable reason at all. This sometimes means that the price of specific securities could go up or down without real reason, and may take some time to recover any lost value or never fully recover. Adding additional securities does not help to minimize this risk since all securities may be affected by market fluctuations.

- **Currency Risk.** When using foreign currency to invest, the fluctuations in the value of the currency can change the value of your security value in your portfolio.
- **Regulatory Risk.** Changes in laws and regulations from any government can change the value of a given company and its accompanying securities. Certain industries are more susceptible to government regulation. Changes in zoning, tax structure, or laws impact the return on investments.
- **Tax Risks Related to Short Term Trading.** Clients should note that BFA may engage in short-term trading transactions. These transactions may result in short term gains or losses for federal and state tax purposes, which may be taxed at a higher rate than long term strategies. BFA endeavors to invest client assets in a tax efficient manner, but all clients are advised to consult with their tax professionals regarding the transactions in their accounts.
- **Risks Related to Investment Term.** Securities experience daily gains and losses to value based on investors desire to own or sell a stock at any given moment. If you require us to liquidate your portfolio during one of these periods, you will not realize as much value as you would have had the investment had the opportunity to regain its value.
- **Purchasing Power Risk.** Purchasing power risk is the risk that your investment's value will decline as the price of goods rises (inflation). The investment's value itself does not decline, but its relative value does, which is the same thing. Inflation can happen for a variety of complex reasons, including a growing economy and a rising money supply.
- **Business Risk.** This can be thought of as certainty or uncertainty of income. Management comes under business risk. Cyclical industries (like automobile companies) have more business risk because of the less steady income stream. On the other hand, fast food chains tend to have steadier income streams and therefore, less business risk.
- **Financial Risk.** The amount of debt or leverage determines the financial risk of a company.
- **Default Risk.** This risk pertains to the ability of a company to service their debt. Ratings provided by several rating services help to identify those companies with more risk. Obligations of the U.S. government are said to be free of default risk.
- **Risks specific to sub-advisors and other managers.** If we invest some of your assets with another advisor, including a private placement, there are additional risks. These include risks that the other manager is not as qualified as we believe them to be, that the investments they use are not as liquid as we would normally use in your portfolio, or that their risk management guidelines are more liberal than we would normally employ.
- **Short Sales.** "Short sales" are a way to implement a trade in a security BFA feels is overvalued. In a "long" trade, the investor is hoping the security increases in price. Thus in a long trade, the amount of the investor's loss (without margin) is the amount paid for the security. In a short sale, the investor is hoping the security decreases in price. However, unlike a long trade where the price of the security can only go from the purchase price to zero, in a short sale, the price of the security can go infinitely upwards. Thus in a short sale, the potential for loss is unlimited and unknown, where the potential for loss in a long trade is limited and knowable. BFA utilizes short sales only when the client's risk tolerances permit.

- **Information Risk.** All investment professionals rely on research in order to make conclusions about investment options. This research is always a mix of both internal (proprietary) and external (provided by third parties) data and analyses. Even an adviser who says they rely solely on proprietary research must still collect data from third parties. This data, or outside research is chosen for its perceived reliability, but there is no guarantee that the data or research will be completely accurate. Failure in data accuracy or research will translate to a compromised ability by the adviser to reach satisfactory investment conclusions.
- **Small Companies.** Some investment opportunities in the marketplace involve smaller issuers. These companies may be starting up or are historically small. While these companies sometimes have potential for outsized returns, they also have increased risk for both investment and liquidity. For example, a company's management may lack experience, or the company's capital for growth may be restricted. Small companies tend to trade less frequently than larger companies, these securities may require a significant discount to value in order to be sold in a shorter time frame.
- **Concentration Risk.** While BFA selects individual equities and bonds for client portfolios based on an individualized assessment of each security, this evaluation comes without an overlay of general economic or sector specific issue analysis. This means that a client's equity portfolio may be concentrated in a specific sector, geography, or sub-sector (among other types of potential concentrations), so that if an unexpected event occurs that affects that specific sector or geography, for example, the client's equity portfolio may be affected negatively, including significant losses.
- **Transition Risk.** As assets are transitioned from a client's prior advisers to BFA there may be securities and other investments that do not fit within the asset allocation strategy selected for the client. Accordingly, these investments will need to be sold in order to reposition the portfolio into the asset allocation strategy selected by BFA. However, this transition process may take some time to accomplish. Some investments may not be unwound for a lengthy period of time for a variety of reasons that may include unwarranted low share prices, restrictions on trading, contractual restrictions on liquidity, or market-related liquidity concerns. In some cases, there may be securities or investments that are never able to be sold. The inability to transition a client's holdings into recommendations of BFA may adversely affect the client's account values, as BFA's recommendations may not be able to be fully implemented.
- **Restriction Risk.** Clients may at all times place reasonable restrictions on the management of their accounts. However, placing restrictions may make managing the accounts more difficult, thus lowering the potential for returns.
- **Risks Related to Investment Term & Liquidity.** Securities do not follow a straight line up in value. All securities will have periods of time when the current price of the security is not an accurate measure of its value. If you require us to liquidate your portfolio during one of these periods, you will not realize as much value as you would have had the investment had the opportunity to regain its value. Further, some investments are made with the intention of the investment appreciating over an extended period of time. Liquidating these investments prior to their intended time horizon may result in losses.

Item 9: Disciplinary Information

None to report.

Item 10: Other Financial Industry Activities and Affiliations

A. Broker-dealer

No employee of BFA is registered as a representative of a broker-dealer.

B. Futures Commission Merchant/Commodity Trading Advisor

No employee of BFA 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 of the foregoing entities.

C. Relationship with Related Persons

Certain professionals of BFA are separately licensed as independent insurance agents. As such, these professionals may conduct insurance product transactions for BFA clients, in their capacity as licensed insurance agents, and will receive customary commissions for these transactions in addition to any compensation received in their capacity as employees of BFA. Commissions from the sale of insurance products will not be used to offset or as a credit against advisory fees. Agents therefore have an incentive to recommend insurance products based on the compensation to be received, rather than on a client's needs. The receipt of additional fees for insurance commissions is therefore a conflict of interest, and clients should be aware of this conflict when considering whether to engage BFA to implement any insurance recommendations. BFA attempts to mitigate this conflict of interest by disclosing the conflict to clients, and informing the clients that they are always free to purchase insurance products through other agents that are not affiliated with BFA, or to determine not to purchase the insurance product at all. BFA also attempts to mitigate the conflict of interest by requiring employees to acknowledge in the firm's Code of Ethics, their individual fiduciary duty to the clients of BFA, which requires that employees put the interests of clients ahead of their own.

D. Recommendations of Other Advisers

Not applicable.

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

A. Code of Ethics

A copy of our Code of Ethics is available upon request. Our Code of Ethics includes discussions of our fiduciary duty to clients, political contributions, gifts, entertainment, and trading guidelines.

B. Recommendation Involving Material Financial Interests

Not applicable. BFA does not recommend to clients that they invest in any security in which BFA or any principal thereof has any financial interest.

C. Investing Personal Money in the Same Securities as Clients

On occasion, an employee of BFA may purchase for his or her own account securities which are also recommended for clients. Our Code of Ethics details rules for employees regarding personal trading and avoiding conflicts of interest related to trading in one's own account. To avoid placing a trade before a client (in the case of a purchase) or after a client (in the case of a sale), all employee trades must be reviewed by the Compliance Officer. All employee trades must either take place in the same block as a client trade or sufficiently apart in time from the client trade so the employee receives no added benefit. Employee statements are reviewed to confirm compliance with the trading procedures.

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

On occasion, an employee of BFA may purchase for his or her own account securities which are also recommended for clients at the same time the clients purchase the securities. Our Code of Ethics details rules for employees regarding personal trading and avoiding conflicts of interest related to trading in one's own account. To avoid placing a trade before a client (in the case of a purchase) or after a client (in the case of a sale), all employee trades must be reviewed by the Compliance Officer. All employee trades must either take place in the same block as a client trade or sufficiently apart in time from the client trade so the employee receives no added benefit. Employee statements are reviewed to confirm compliance with the trading procedures.

Item 12: Brokerage Practices

BFA does not maintain custody of client assets; though BFA may be deemed to have custody if a client grants BFA authority to debit fees directly from their account (see Item 15 below). Assets will be held with a qualified custodian, which is typically a bank or broker-dealer. BFA recommends that investment accounts be held in custody by Schwab Advisor Services (“Schwab”), which is a qualified custodian. BFA is independently owned and operated and is not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when BFA instructs them to, which BFA does in accordance with its agreement with you. While BFA recommends that you use Schwab as custodian/broker, you will decide whether to do so and will open your account with Schwab by entering into an account agreement directly with them. BFA does not open the account for you, although BFA may assist you in doing so. Even though your account is maintained at Schwab, we may use other brokers to execute trades for your account as described below (see “Your brokerage and custody costs”).

How we select brokers/custodians

We seek to recommend a custodian/broker that will hold your assets and execute transactions on terms that are, overall, most advantageous when compared with other available providers and their services. We consider a wide range of factors, including both quantitative (Ex: costs) and qualitative (execution, reputation, service) factors. We do not consider whether Schwab or any other broker-dealer/custodian, refers clients to BFA as part of our evaluation of these broker-dealers.

Your brokerage and custody costs

For our clients’ accounts that Schwab maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. In addition to commissions, Schwab charges you a flat dollar amount as a “prime broker” or “trade away” fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. In order to minimize your trading costs, we have Schwab execute most trades for your account. We have determined that having Schwab execute most trades is consistent with our duty to seek “best execution” for your trades. “Best execution” means the most favorable terms for a transaction based on all relevant factors (see “How we select brokers/custodians”).

Products and services available to us from Schwab

Schwab Advisor Services™ (formerly called Schwab Institutional®) is Schwab's business serving independent investment advisory firms like BFA. They provide BFA and our clients with access to its institutional brokerage services (trading, custody, reporting, and related services), many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help BFA manage or administer our clients' accounts, while others help BFA manage and grow our business. Schwab's support services are generally available on an unsolicited basis (we don't have to request them) and at no charge to BFA. Following is a more detailed description of Schwab's support services:

Services that benefit you.

Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

Services that may not directly benefit you.

Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements)
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate payment of our fees from our clients' accounts
- Assist with back-office functions, recordkeeping, and client reporting

Services that generally benefit only us.

Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession

- Access to employee benefits providers, human capital consultants, and insurance providers
- Assistance related to the transition of client assets from prior firms

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits, such as occasional business entertainment of our personnel.

Our interest in Schwab's services

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We don't have to pay for Schwab's services. These services are not contingent upon us committing any specific amount of business to Schwab in trading commissions or assets in custody. We may have an incentive to recommend that you maintain your account with Schwab, based on our interest in receiving Schwab's services that benefit our business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that our selection of Schwab as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's services (see "How we select brokers/ custodians") and not Schwab's services that benefit only us.

We do not consider whether Schwab or any other broker-dealer/custodian, refers clients to BFA as part of our evaluation of these broker-dealers.

BFA may render investment advice for clients whose assets are held with a broker-dealer chosen by the client, and not recommended by BFA. In such arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer. This means that the client, and not BFA, will be in the best position to seek and secure the best value for the costs of execution. This means that the client may not pay the most cost-effective commission rates. BFA will not be able to aggregate orders under these circumstances, which may result in higher commission costs or transaction fees because the trading costs are not allocated among a group. Clients also may not benefit from commission rates BFA may be able to negotiate. Further, there may be some transactions in certain securities that must be placed first through a BFA recommended broker-dealer. In some circumstances, placing those trades first may mean that a client who directs brokerage may not only pay a higher commission cost, they may also pay a higher price for a given security. In general, clients may not receive value for the commission dollar spent, may spend more than is necessary for execution services, and/or may have reduced gains in their accounts as a result of directing brokerage.

Item 13: Review of Accounts

All accounts will be reviewed by a senior professional on at least an annual basis. However, it is expected that market conditions, changes in a particular client's account, or changes to a client's circumstances will trigger a review of accounts.

Item 14: Client Referrals and Other Compensation

- A. Economic Benefit Provided by Third Parties for Advice Rendered to Client.

Please refer to Item 12, where we discuss recommendation of Broker-Dealers.

- B. Compensation to Non-Advisory Personnel for Client Referrals.

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

Item 15: Custody

There are two avenues through which BFA has custody of client funds; by directly debiting its fees from client accounts pursuant to applicable agreements granting such right, and potentially by permitting clients to issue standing letters of authorization ("SLOAs"). SLOAs permit a client to issue one document that directs BFA to make distributions out of the client's account(s). Clients whose fees are directly debited will provide written authorization to debit advisory fees from their accounts held by a qualified custodian chosen by the client. The client will receive a statement from their account custodian showing all transactions in their account, including the fee.

We encourage clients to carefully review the statements and confirmations sent to them by their custodian, and to please alert us of any discrepancies.

In addition to the account custodian's custody procedures, clients issuing SLOAs will be requested to confirm, in writing, that the accounts to which funds are distributed are parties unrelated to BFA.

Item 16: Investment Discretion

Asset management services may be provided on a “discretionary” basis. When BFA is engaged to provide asset management services on a discretionary basis, we will monitor your accounts to ensure that they are meeting your asset allocation requirements. If any changes are needed to your investments, we will make the changes. These changes may involve selling a security or group of investments and buying others or keeping the proceeds in cash. You may at any time place restrictions on the types of investments we may use on your behalf, or on the allocations to each security type. You may receive at your request written or electronic confirmations from your account custodian after any changes are made to your account. You will also receive no less than quarterly statements from your account custodian. Clients engaging us on a discretionary basis will be asked to execute a Limited Power of Attorney (granting us the discretionary authority over the client accounts) as well as an Investment Management Agreement that outlines the responsibilities of both the client and BFA.

We generally recommend that clients utilize Schwab Advisor Services to act as the broker-dealer/custodian for their accounts. However, the client may use another broker-dealer if the client wishes to do so. BFA will not, however, direct trades through another broker-dealer aside from Schwab Advisor Services in exchange for any sort of fee-sharing or commission-splitting.

Item 17: Voting Client Securities

Copies of our Proxy Voting Policies are available upon request.

From time to time, shareholders of stocks, mutual funds, exchange traded funds or other securities may be permitted to vote on various types of corporate actions. Examples of these actions include mergers, tender offers, or board elections. Clients are required to vote proxies related to their investments, or to choose not to vote their proxies. BFA will not accept authority to vote client securities. Clients will receive their proxies directly from the custodian for the client account. BFA will not give clients advice on how to vote proxies.

Item 18: Financial Information

BFA does not require the prepayment of fees more than six (6) months or more in advance and therefore has not provided a balance sheet with this brochure.

There are no material financial circumstances or conditions that would reasonably be expected to impair our ability to meet our contractual obligations to our clients.

Item 1: Cover Sheet

BROCHURE SUPPLEMENT

ADV Part 2B: John J. Brendel, Jr.



BRENDEL FINANCIAL ADVISORS

64 Lyme Road | Hanover, NH 03755
603-643-4441 | www.brendelfinancial.com

Version: February 26, 2018

This Brochure Supplement provides information about John J. Brendel, Jr. that supplements the Brendel Financial Advisors LLC Brochure. You should have received a copy of that Brochure. Please contact John Brendel at the number above if you did not receive the Brochure or if you have any questions about the contents of this supplement.

Additional information about John Brendel is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2: Educational Background and Business Experience

John J. Brendel, Jr.

Born: 1960

EDUCATION:

St. John's University, Bachelor Degree, Marketing, 1983

BUSINESS EXPERIENCE:

Brendel Financial Advisors, LLC

Managing Member & Investment Adviser Representative, 10/2017 – present

Purshe Kaplan Sterling Investments, Inc.

Registered Representative, 04/2011 - present

Brendel & Fisher Wealth Management, LLC d/b/a Brendel & Fisher Financial Advisors

Investment Adviser Representative, 04/2011 – 10/2017

Morgan Stanley Smith Barney

Mass Transfer, 06/2009 - 04/2011

Citigroup Global Markets, Inc.

Financial Advisor, 12/2005 - 04/2011

Advest, Inc.

Investment Adviser Representative, 06/1996 - 12/2005

PROFESSIONAL DESIGNATIONS:

Accredited Asset Management SpecialistSM

The AAMS[®] designation is a credential awarded by the College for Financial Planning to individuals who complete the 12-module AAMS[®] Professional Education Program and successfully pass an examination. AAMS[®] designees must agree to abide by the College of Financial Planning's Standards of Professional Conduct and complete 16 hours of continuing education on a biannual basis.

Item 3: Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item for Mr. Brendel.

Item 4: Other Business Activities

John Brendel is a registered representative of Purshe Kaplan Sterling Investments (“PKS”), a FINRA member broker-dealer. Because PKS supervises Mr. Brendel activities as a registered representative of PKS, the relationship may be deemed material. However, PKS is not affiliated with Brendel Financial Advisors, LLC (hereinafter “BFA”) or considered a related party. PKS does not make investment decisions for client accounts. Mr. Brendel’s status as a registered representative enables Mr. Brendel to receive customary commissions for the sales of various products, including variable annuity products. Mr. Brendel may receive such a commission on the sale of a product he recommends to clients.

Receipt of commissions for investment products that are recommended to clients gives rise to a conflict of interest for the representative, in that the individual who will receive the commissions is also the individual that is recommending that the client purchase a given product. This conflict is disclosed to clients verbally and in this brochure. Clients are advised that they may choose to implement any investment recommendation through another broker-dealer that is not affiliated with BFA. BFA attempts to mitigate this conflict by requiring that all investment recommendations have a sound basis for the recommendation, and by requiring employees to acknowledge their fiduciary responsibility toward each client.

Item 5: Additional Compensation

Please see response to Item 4, above.

Item 6: Supervision

Mr. Brendel is the firm’s only principal and also the firm’s Chief Compliance Officer, and as such has no direct supervisor. However, all employees of BFA are required to follow the supervisory guidelines and procedures manual which is designed to ensure compliance with securities laws in the states where BFA is registered. Mr. Brendel can be reached at 603-643-4441.



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Privacy Notice

Investment Advisers are required by law to inform their clients of their policies regarding privacy of client information. We are bound by professional standards of confidentiality that are even more stringent than those required by law. Federal law gives customers the right to limit some but not all sharing of personal information. It also requires us to tell you how we collect, share, and protect your personal information.

TYPES OF NONPUBLIC PERSONAL INFORMATION (“NPI”) WE COLLECT

We collect NPI about you that is either provided to us by you or obtained by us with your authorization. This can include but is not limited to your Social Security Number, Date of Birth, Banking Information and Financial Account Numbers and/or Balances, Sources of Income, Credit Card Numbers or other Information. When you are no longer our customer, we may continue to share your information only as described in this notice.

DEFINITIONS: Affiliates – companies related by common ownership or control. They can be financial and nonfinancial companies; Non-affiliates – companies not related by common ownership or control. They can be financial and nonfinancial companies; Joint marketing – a formal agreement between non-affiliated financial companies that together market financial products or services to you.

PARTIES TO WHOM WE DISCLOSE INFORMATION

All Investment Advisers may need to share NPI to run their everyday business. In the section below, we list the typical reasons that we may share your personal information:

- For everyday business purposes – such as to process your transactions, maintain your account(s), or respond to court orders and legal investigations, work with technology providers, compliance consultants, and counsel, or report to credit bureaus;
- For our marketing – to offer our products and services to you;
- For joint marketing with other financial companies;
- For our affiliates’ everyday business purposes – information about your transactions and experiences; or

If you are a new customer we may begin sharing your information on the day you sign our agreement. When you are no longer our customer, we may continue to share your information as described in this notice. However, you can contact us at any time to limit our sharing. However, please note we do not use NPI to give to third parties so they may market to you.

PROTECTING THE CONFIDENTIALITY OF CURRENT AND FORMER CLIENT’S INFORMATION

To protect your personal information from unauthorized access and use, we use security measures that comply with federal law, including computer safeguards and secured files and building.

THE RIGHT TO LIMIT SHARING – OPTING OUT AND OPTING IN

Federal law allows you the right to limit the sharing of your NPI by “opting-out” of the following: (i) sharing for affiliates’ everyday business purposes -- information about your creditworthiness; and (ii) sharing with affiliates who use your information to market to you. State laws and individual companies may give you additional rights to limit sharing. Please notify us immediately at our address or telephone number if you choose to opt out of these types of sharing.

Massachusetts Clients: Massachusetts law gives its residents additional rights to limit sharing. Under Massachusetts law, we may not share NPI with non-affiliates unless we first receive written permission (“opting-in”). If we do not receive permission to share this NPI, then we are prohibited from sharing this NPI with “non-affiliates” as defined below.

I give you permission to share my NPI with non-affiliates.

Signature of Client(s): X _____

Please call if you have any questions. Your privacy, our professional ethics, and the ability to provide you with quality financial services are very important to us.