
Personal Financial Advisors, Inc.

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Form ADV Part 2A – Firm Brochure

Dated February 4, 2017

This brochure provides information about the qualifications and business practices of Personal Financial Advisors, Inc. If you have any questions about the contents of this brochure, please contact us at 614-837-7000. 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 Personal Financial Advisors, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for Personal Financial Advisors, Inc. is 132716.

Personal Financial Advisors, Inc. is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Item 2: Material Changes

Since the last annual filing of this Form ADV Part 2A, dated February 18, 2016, no material changes have occurred.

Item 3: Table of Contents

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Item 4: Advisory Business

Description of Advisory Firm

Personal Financial Advisors, Inc.'s registration was granted by its home state of Ohio on September 15, 2004. David Jay Stone (CRD Number 2244599) is the President and Chief Compliance Officer of the firm. Mr. Stone owns one hundred (100%) percent of the equity of the firm. The firm is not publicly owned or traded. There are no indirect owners of the firm or intermediaries, which have any ownership interest in the firm. As of December 31, 2016, the firm managed, on a nondiscretionary basis \$31,255,496 which represented 108 accounts.

Types of Advisory Services

Investment Management Services

We are in the business of managing individually tailored investment portfolios. Our firm provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal investment policy or an investment plan with an asset allocation target and create and manage a portfolio based on that policy and allocation target. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. We may also review and discuss a client's prior investment history, as well as family composition and background.

Account supervision is guided by the stated objectives of the client (e.g., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors. Fees pertaining to this service are outlined in Item 5 of this brochure.

Financial Planning

Financial planning is a comprehensive evaluation of a client's current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans. The key defining aspect of financial planning is that through the financial planning process, all questions, information and analysis will be considered as they impact and are impacted by the entire financial and life situation of the client. Clients purchasing this service will receive a written or an electronic report, providing the client with a detailed financial plan designed to achieve his or her stated financial goals and objectives.

The client always has the right to decide whether or not to act upon our recommendations. If the client elects to act on any of the recommendations, the client always has the right to effect the transactions through anyone of their choosing.

In general, the financial plan will address any or all of the following areas of concern. The client and advisor will work together to select the specific areas to cover. These areas may include, but are not limited to, the following:

- **Business Planning:** We provide consulting services for clients who currently operate their own business, are considering starting a business, or are planning for an exit from their current business. Under this type of engagement, we work with you to assess your current situation, identify your objectives, and develop a plan aimed at achieving your goals.
- **Cash Flow and Debt Management:** We will conduct a review of your income and expenses to determine your current surplus or deficit along with advice on prioritizing how any surplus should be used or how to reduce expenses if they exceed your income. Advice may also be provided on which debts to pay off first based on factors such as the interest rate of the debt and any income tax ramifications. We may also recommend what we believe to be an appropriate cash reserve that should be considered for emergencies and other financial goals, along with a review of accounts (such as money market funds) for such reserves, plus strategies to save desired amounts.
- **College Savings:** Includes projecting the amount that will be needed to achieve college or other post-secondary education funding goals, along with advice on ways for you to save the desired amount. Recommendations as to savings strategies are included, and, if needed, we will review your financial picture as it relates to eligibility for financial aid or the best way to contribute to grandchildren (if appropriate).
- **Employee Benefits Optimization:** We will provide review and analysis as to whether you, as an employee, are taking the maximum advantage possible of your employee benefits. If you are a business owner, we will consider and/or recommend the various benefit programs that can be structured to meet both business and personal retirement goals.
- **Financial Goals:** We will help clients identify financial goals and develop a plan to reach them. We will identify what you plan to accomplish, what resources you will need to make it happen, how much time you will need to reach the goal, and how much you

should budget for your goal.

- **Insurance:** Review of existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home and automobile.
- **Investment Analysis:** This may involve developing an asset allocation strategy to meet clients' financial goals and risk tolerance, providing information on investment vehicles and strategies, reviewing employee stock options, as well as assisting you in establishing your own investment account at a selected broker/dealer or custodian. The strategies and types of investments we may recommend are further discussed in Item 8 of this brochure.
- **Retirement Planning:** Our retirement planning services typically include projections of your likelihood of achieving your financial goals, typically focusing on financial independence as the primary objective. For situations where projections show less than the desired results, we may make recommendations, including those that may impact the original projections by adjusting certain variables (e.g., working longer, saving more, spending less, taking more risk with investments).

If you are near retirement or already retired, advice may be given on appropriate distribution strategies to minimize the likelihood of running out of money or having to adversely alter spending during your retirement years.

- **Risk Management:** A risk management review includes an analysis of your exposure to major risks that could have a significantly adverse effect on your financial picture, such as premature death, disability, property and casualty losses, or the need for long-term care planning. Advice may be provided on ways to minimize such risks and about weighing the costs of purchasing insurance versus the benefits of doing so and, likewise, the potential cost of not purchasing insurance ("self-insuring").
- **Tax Planning Strategies:** Advice may include ways to minimize current and future income taxes as a part of your overall financial planning picture. For example, we may make recommendations on which type of account(s) or specific investments should be owned based in part on their "tax efficiency," with consideration that there is always a possibility of future changes to federal, state or local tax laws and rates that may affect your situation.

We recommend that you consult with a qualified tax professional before initiating any tax planning strategy, and we may provide you with contact information for accountants or attorneys who specialize in this area if you wish to hire someone for such purposes. We will participate in meetings or phone calls between you and your tax professional with your approval.

Client Tailored Services and Client Imposed Restrictions

We offer the same suite of services to all of our clients. However, specific client financial plans and their implementation are dependent upon each client’s current situation (income, tax levels, and risk tolerance levels) and is used to construct a client specific plan to aid in the selection of a portfolio that matches restrictions, needs, and targets.

Wrap Fee Programs

We do not participate in wrap fee programs.

Item 5: Fees and Compensation

No fee shall be based upon capital gains or capital appreciation of assets. Fees shall be negotiable. With respect to the investment supervisory service activity Firm will use the services of a “qualified custodian”. Firm shall charge the advisory client a fee based upon the client’s net worth, which includes all cash, life insurance cash values, real estate, investments, motor vehicles, current debts, mortgage, and loans. The fee schedule shall be as follows:

Net Worth	Fee
Less than \$100,000	\$50 per month
\$100,000 - \$199,999	\$100 per month
\$200,000-\$299,999	\$150 per month
\$300,000-\$374,999	\$200 per month
\$375,000-\$499,999	0.80%
\$500,000-\$749,999	0.75%
\$750,000-\$999,999	0.70%
\$1,000,000-\$1,999,999	0.65%
\$2,000,000-\$2,999,999	0.60%
\$3,000,000 and above	0.55%

It is to be noted that the above fee schedule is in no way based upon assets under management but rather is to be based on net worth of the client. The annual fees are negotiable in certain cases and clients are given the choice of frequency of fee payment, being either monthly, quarterly or annually and are paid in arrears. No increase in the annual fee shall be effective without agreement from the client by signing a new agreement or amendment to their current advisory agreement.

Advisory fees can be directly debited from client accounts, or paid by check or credit card. The advisory client may terminate the professional arrangement at will with written notice served upon Firm. The client may terminate the investment advisory relationship by provision of this termination request in writing within 30 days. Since fees are paid in arrears, no rebate will be needed upon termination of the account.

Shareholders Service Group shall act as the qualified custodian. As part of the asset management fee, Firm shall provide fee based financial planning services as well. On occasion, Firm may also charge an hourly fee (at the rate of \$200 per hour) for special projects.

It is again emphasized and disclosed herein that Firm will charge a percentage of net worth for financial planning and portfolio management.

It is further disclosed that advisory clients who invest in mutual funds are, in effect, paying two levels of fees, that is the fee paid to the Firm for advice provided about the selection of mutual funds as well as the fees and expenses charged by the mutual fund company to its shareholders.

Other Types of Fees and Expenses

Our fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses that may be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, and other third parties such as custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual fund and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to our fee, and we shall not receive any portion of these commissions, fees, and costs.

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

We do not offer performance-based fees.

Item 7: Types of Clients

We provide financial planning and portfolio management services to individuals.

We do not have a minimum account size requirement.

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

Our primary method of investment analysis is fundamental analysis.

Fundamental analysis involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience, and expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value. The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

Material Risks Involved

All investing strategies we offer involve risk and may result in a loss of your original investment which you should be prepared to bear. Many of these risks apply equally to stocks, bonds, commodities and any other investment or security. Material risks associated with our investment strategies are listed below.

Market Risk: Market risk involves the possibility that an investment's current market value will fall because of a general market decline, reducing the value of the investment regardless of the operational success of the issuer's operations or its financial condition.

Strategy Risk: The Adviser's investment strategies and/or investment techniques may not work as intended.

Small and Medium Cap Company Risk: Securities of companies with small and medium market capitalizations are often more volatile and less liquid than investments in larger companies. Small and medium cap companies may face a greater risk of business failure, which could increase the volatility of the client's portfolio.

Turnover Risk: At times, the strategy may have a portfolio turnover rate that is higher than other strategies. A high portfolio turnover would result in correspondingly greater brokerage commission expenses and may result in the distribution of additional capital gains for tax purposes. These factors may negatively affect the account's performance.

Limited markets: Certain securities may be less liquid (harder to sell or buy) and their prices may at times be more volatile than at other times. Under certain market conditions we may be unable to sell or liquidate investments at prices we consider reasonable or favorable, or find buyers at any price.

Concentration Risk: Certain investment strategies focus on particular asset-classes, industries, sectors or types of investment. From time to time these strategies may be subject to greater risks of adverse developments in such areas of focus than a strategy that is more broadly diversified across a wider variety of investments.

Interest Rate Risk: Bond (fixed income) prices generally fall when interest rates rise, and the value may fall below par value or the principal investment. The opposite is also generally true: bond prices generally rise when interest rates fall. In general, fixed income securities with longer maturities are more sensitive to these price changes. Most other investments are also sensitive to the level and direction of interest rates.

Legal or Legislative Risk: Legislative changes or Court rulings may impact the value of investments, or the securities' claim on the issuer's assets and finances.

Inflation: Inflation may erode the buying-power of your investment portfolio, even if the dollar value of your investments remains the same.

Risks Associated with Securities

Apart from the general risks outlined above which apply to all types of investments, specific securities may have other risks.

Commercial Paper is, in most cases, an unsecured promissory note that is issued with a maturity of 270 days or less. Being unsecured the risk to the investor is that the issuer may default.

Common stocks may go up and down in price quite dramatically, and in the event of an issuer's bankruptcy or restructuring could lose all value. A slower-growth or recessionary economic environment could have an adverse effect on the price of all stocks.

Corporate Bonds are debt securities to borrow money. Generally, issuers pay investors periodic interest and repay the amount borrowed either periodically during the life of the security and/or at maturity. Alternatively, investors can purchase other debt securities, such as zero coupon bonds, which do not pay current interest, but rather are priced at a discount from their face values and their values accrete over time to face value at maturity. The market prices of debt securities fluctuate depending on such factors as interest rates, credit quality, and maturity. In general, market prices of debt securities decline when interest rates rise and increase when interest rates fall. The longer the time to a bond's maturity, the greater its interest rate risk.

Bank Obligations including bonds and certificates of deposit may be vulnerable to setbacks or panics in the banking industry. Banks and other financial institutions are greatly affected by interest rates and may be adversely affected by downturns in the U.S. and foreign economies or changes in banking regulations.

Municipal Bonds are debt obligations generally issued to obtain funds for various public purposes, including the construction of public facilities. Municipal bonds pay a lower rate of return than most other types of bonds. However, because of a municipal bond's tax-favored status, investors should compare the relative after-tax return to the after-tax return of other bonds, depending on the investor's tax bracket. Investing in municipal bonds carries the same general risks as investing in bonds in general. Those risks include interest rate risk, reinvestment risk, inflation risk, market risk, call or redemption risk, credit risk, and liquidity and valuation risk.

Exchange Traded Funds prices may vary significantly from the Net Asset Value due to market conditions. Certain Exchange Traded Funds may not track underlying benchmarks as expected.

Investment Companies Risk. When a client invests in open end mutual funds or ETFs, the client indirectly bears its proportionate share of any fees and expenses payable directly by those funds. Therefore, the client will incur higher expenses, many of which may be duplicative. In addition, the client's overall portfolio may be affected by losses of an underlying fund and the level of risk arising from the investment practices of an underlying fund (such as the use of derivatives). ETFs are also subject to the following risks: (i) an ETF's shares may trade at a market price that is above or below their net asset value; (ii) the ETF may employ an investment strategy that utilizes high leverage ratios; or (iii) trading of an ETF's shares may be halted if the listing exchange's officials deem such action appropriate, the shares are de-listed from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally. The Adviser has no control over the risks taken by the underlying funds in which clients invest.

Item 9: Disciplinary Information

None.

Item 10: Other Financial Industry Activities and Affiliations

Laura Wall is licensed to sell life insurance, and may engage in commissionable insurance or fixed annuities product sales with our clients, for which they may receive additional compensation. This does create an incentive to recommend these products based on compensation and not client need, however careful review is done to ensure that recommendations are made in the best interests of the client.

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

The firm has adopted a written Code of Ethics in compliance with SEC rule 204A-1. The code sets forth standards of conduct and requires compliance with federal securities laws. Our code also addresses personal trading and requires our personnel to report their personal securities holdings and transactions to the Chief Compliance Officer of the firm. We will provide a copy of our Code of Ethics to any client or prospective client upon request.

In the unlikely event that the interests of the Firm's account would happen to correspond with an advisory client's interests, full disclosure would be made to such client at once.

It is further noted that Firm is in and shall continue to be in total compliance with The Insider Trading and Securities Fraud Enforcement Act of 1988. Specifically, Firm has adopted a firm wide policy statement outlining insider trading compliance by Firm and its associated persons and other employees. This statement has been distributed to all associated persons and other employees of Firm and has been signed and dated by each such person. A copy of such firm wide policy is left with such person and the original is maintained in a master file. Further, Firm has adopted a written supervisory procedures statement highlighting the steps which shall be taken to implement the firm wide policy. These materials are also distributed to all associated persons and other employees of Firm, are signed, dated and filed with the insider trading

compliance materials. There are provisions adopted for (1) restricting access to files, (2) providing continuing education, (3) restricting and/or monitoring trading on those securities of which Firm's employees may have non-public information, (4) requiring all of Firm's employees to conduct their trading through a specified broker or reporting all transactions promptly to Firm, and (5) monitoring the securities trading of the firm and its employees and associated persons.

Firm or individuals associated with Firm may buy or sell securities identical to those recommended to customers for their personal account.

It is the expressed policy of Firm that no person employed by Firm may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, and therefore, preventing such employees from benefiting from transactions placed on behalf of advisory accounts.

Firm or any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

As these situations may represent a conflict of interest, Firm has established the following restrictions in order to ensure its fiduciary responsibilities:

- 1) A director, officer or employee of Firm shall not buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No person of Firm shall prefer his or her own interest to that of the advisory client.
- 2) Firm maintains a list of all securities holdings for itself, and anyone associated with this advisory practice. These holdings are reviewed on a regular basis by David J. Stone.
- 3) Firm requires that all individuals must act in accordance with all applicable federal and state regulations governing registered investment advisory practices.

4) Any individual not in observance of the above may be subject to termination

Item 12: Brokerage Practices

Firm may suggest brokers to advisory clients. Firm has no formalized affiliation with any broker/dealer. This determination shall be made on a case-by-case basis.

Firm may receive economic benefits from the "qualified custodian" which holds asset management client portfolios.

Our preferred custodian, Shareholders Service Group (“SSG”), was chosen based on their relatively low transaction fees, quality of operations and access to a wide range of mutual funds, ETFs and markets. Adviser does not negotiate commission rates to be paid for a client's securities transactions. We do not charge a premium or commission on transactions, beyond the actual cost imposed by the Custodian. We are not affiliated with SSG, and SSG does not supervise Personal Financial Advisors, Inc., its agents, or activities. If a client wishes, and subject to technology and operational constraints, we may consider advising on accounts held with a custodian of their choice.

Item 13: Review of Accounts

Firm shall engage in continuous asset management support on behalf of advisory clients and, as such, the level of review shall be continuing. All reviews shall be conducted by Mr. Stone. The triggering factors for reviews will include change in client lifestyle, change in client investment needs, goals, objectives, risk tolerance, or the mere passage of time.

Reviews are undertaken annually unless requested more often by the advisory client. These reviews will include reports on holdings, changes in investment value, fee assessed, etc.

Item 14: Client Referrals and Other Compensation

Not applicable.

Item 15: Custody

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. We urge you to carefully review such statements and compare such official custodial records to the account statements or reports that we may provide to you. Our statements or reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. For clients who have their advisory fee directly debited from their account, they will receive an itemized invoice for their advisory fee that includes the formula used to calculate the fee, the amount of assets under management the fee is based on, and the time period covered by the fee. We are not affiliated with SSG, and SSG does not supervise Personal Financial Advisors, Inc., its agents, or activities.

Item 16: Investment Discretion

Firm will not have any discretionary authority over client account(s).

Item 17: Voting Client Securities

Firm does not vote proxy statements on behalf of advisory clients.

Item 18: Financial Information

Firm does not receive fees more than six months in advance.

Item 19: Requirements for State-Registered Advisers

David J. Stone

Date of Birth: April 23, 1965

Education:

- State University of New York at Albany, graduated 1987,
- CFP designation obtained year 2002

Employment:

- Personal Financial Advisors, Inc.
- Brecek & Young, Broker/Dealer, Registered Representative, March 2001–December 2004
- Donahue Securities, Broker/Dealer, Registered Representative, July 1998–February 2001

Professional Designations, Licensing & Exams

CFP (Certified Financial Planner)®: CFP® certificants must have a minimum of three years' workplace experience in financial planning and develop their theoretical and practical financial planning knowledge by completing a comprehensive course of study approved by CFP® Board. They must pass a comprehensive 2-day, 10-hour CFP® Certification Examination that tests their ability to apply financial planning knowledge in an integrated format. As a final step to certification, CFP® practitioners agree to abide by a strict code of professional conduct.

Other Business Activities

Mr. Stone is not involved with outside business activities.

Performance Based Fees

Firm is not compensated by performance-based fees.

Material Disciplinary Disclosures

No management person at Personal Financial Advisors, Inc. has ever been involved in an arbitration claim of any kind or been found liable in a civil, self-regulatory organization, or administrative proceeding.

Material Relationships That Management Persons Have with Issuers of Securities

Personal Financial Advisors, Inc., nor Mr. Stone, have any relationship or arrangement with issuers of securities, in addition to what is described in Item 10.

David Jay Stone
Personal Financial Advisors, Inc.

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Dated February 18, 2016

Form ADV Part 2B – Brochure Supplement

This brochure supplement provides information about David Jay Stone that supplements the Personal Financial Advisors, Inc. brochure. You should have received a copy of that brochure. Please contact David Jay Stone, President and Chief Compliance Officer if you did not receive Personal Financial Advisors, Inc.'s brochure or if you have any questions about the contents of this supplement.

Additional information about David Jay Stone is available on the SEC's website at www.adviserinfo.sec.gov, which can be found using the identification number 2244599.

Item 2: Educational Background and Business Experience

David J. Stone

Date of Birth: April 23, 1965

Education:

- State University of New York at Albany, graduated 1987,
- CFP designation obtained year 2002

Employment:

- Personal Financial Advisors, Inc.
- Brecek & Young, Broker/Dealer, Registered Representative, March 2001–December 2004
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CFP (Certified Financial Planner)®: CFP® certificants must have a minimum of three years' workplace experience in financial planning and develop their theoretical and practical financial planning knowledge by completing a comprehensive course of study approved by CFP Board. They must pass a comprehensive 2-day, 10-hour CFP® Certification Examination that tests their ability to apply financial planning knowledge in an integrated format. As a final step to certification, CFP® practitioners agree to abide by a strict code of professional conduct.

Item 3: Disciplinary Information

None.

Item 4: Other Business Activities

None.

Item 5: Additional Compensation

None.

Item 6: Supervision

David Stone, as President and Chief Compliance Officer, is responsible for supervision. He may be contacted at the phone number on this brochure supplement.

Item 7: Requirements for State Registered Advisers

Mr. Stone has has NOT been involved in an arbitration, civil proceeding, self-regulatory proceeding, administrative proceeding, or a bankruptcy petition.