

Item 1 Cover Page

**Vorpahl Wing Securities, Inc.**

CRD No. 47548

**421 W. Riverside, Suite 1020 Spokane WA. 99201**

**(509) 747-1749**

This brochure is dated January 9, 2025

This brochure provides information about the qualifications and business practices of Vorpahl Wing Securities, Inc. (“Vorpahl Wing Securities” or “VWS”). If you have any questions about the contents of this brochure, please contact us at (509) 747-1749. 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 Vorpahl Wing Securities also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

*Note: The terms “registered” and “registered investment adviser” appear in this brochure. Registration does not imply a certain level of skill or training. Vorpahl Wing Securities’ level of skill comes from years of experience and study.*

## **Item 2 - Material Changes from the Previous Vorpahl Wing Securities Brochure**

VWS has made two material changes since its previous publication of its ADV 2A. Those changes are reflected in (1) Items 10 and 12 replaces Wedbush Securities with Charles Schwab & Co., Inc. as Vorpahl Wing's executing broker-dealer and custodian and (2) Item 9(B) adding a recent disciplinary action taken with VWS by FINRA.

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## Item 4 - Description of Vorpahl Wing Securities Advisory Business

### Ownership of Vorpahl Wing Securities

Vorpahl Wing Securities was formed in 1999 and is solely owned by Timothy J. Vorpahl, its President. Vorpahl Wing Securities began its advisory business in 2013.

### Types of Advisory Services and Client Imposed Restrictions

Vorpahl Wing Securities provides investment supervisory management services for the following types of investment products:

- Equity Securities, including exchange listed securities and over-the-counter securities;
- ETF's, exchange-traded funds;
- Bonds, including corporate, municipal, and U.S. government securities;
- Investment companies shares (mutual funds); and
- Certificates of Deposits;

Vorpahl Wing Securities offers a client continuous investment advice based upon the individual investment needs of a client in accordance with the Vorpahl Wing Securities "Client Investment Policy Statement" or other client questionnaire or statement of policy. Clients may impose restrictions on investing in certain securities or types of securities.

It is the general policy of Vorpahl Wing Securities to require minimum assets of \$50,000 in order to establish an account. In certain circumstances, exceptions may be granted.

Vorpahl Wing Securities does not engage in wrap fee programs.

### Assets under Management

Vorpahl Wing Securities had assets under management totaling approximately \$107,485.00 as of December 31, 2024. All accounts are managed on a discretionary basis.

A client has the right to terminate his/her account within five business days of the execution of the Assets Management Agreement without penalty unless this brochure was provided to Client at least 48 hours in advance of Agreement execution.

## Item 5 - Fees and Compensation

Fees for standard discretionary advisory services are as follows:

First \$250,000.....	2.0% annually (0.500% quarterly)
\$250,001-\$1,000,000.....	1.5% annually (0.375% quarterly)
Over \$1,000,000 .....	1.00% annually (0.25% quarterly)

Fees are negotiable and fully disclosed with each Client Assets Management Agreement. Fees shall be charged and paid quarterly in advance.

Vorpahl Wing Securities shall provide or cause to be provided, to each client, a written invoice disclosing the imposed fee, the formula for and the actual fee calculation. Additionally, such invoice shall identify the period that the fee is applicable and the name of the custodian. Invoices will be provided concurrent with debit of management fees. Clients are urged to compare the invoice with fees listed on account statements.

Fees will be paid to Vorpahl Wing Securities by the brokerage firm or custodian maintaining custody of an account from funds in the account. The custodian does not verify the correctness of the fee calculation.

The custodian will send a statement no less frequently than quarterly indicating all amounts disbursed from an account including the amount of advisory fees paid to Vorpahl Wing Securities.

Payment of fees may result in the liquidation of securities if sufficient cash in the account is not available. Fees are charged on funds or securities added to a previously established account during any period at a marginal percentage rate using the client's fee schedule and prorated to reflect the number of days remaining in the billing period.

Vorpahl Wing Securities' custodian shall determine the net equity value of an account for each period as of the closing date occurring during the month preceding the fee period. It is this net equity value in which management fees are calculated. In the case where the closing date is not a regular business day of the New York Stock Exchange, the net equity is computed as of the last prior business day of the New York Stock Exchange. Net equity is calculated by valuing each security held by an account based on the closing price, or if not traded on an exchange the last bid price.

Brokerage commissions, custodial fees and service charges, stock transfer fees, mutual fund management fees, 12b-1 fees, and other similar charges incurred in connection with transactions are not considered part of management fees and will be paid separately from the assets in a client's account.

The current negotiated commission rates for executions processed through Vorpahl Wing Securities' clearing firm and custodian(s) are listed in a separate document and should be reviewed and considered as part of this brochure:

The investment advisory agreement may be terminated at any time by either party by written notice to the other party at their primary address. Client shall receive a refund of all unearned fees prorated as of the date of termination.

Changes to the fee structure or to other material provisions of an Asset Management Agreement may only be made by amendment or through the execution of an entirely new Agreement; either requiring the written acceptance of the Client.

Vorpahl Wing Securities endeavors to allocate securities purchases and sales so as to not advantage nor disadvantage any client. A random selection process is normally used such as starting at either the beginning, the end or in the middle of the alphabetical list of clients.

It is the policy of Vorpahl Wing Securities when securities are being initially purchased for, or sold from, a client's portfolio, that orders for the same securities from Vorpahl Wing Securities and related person's accounts will be included in the bunched trades if the size and volume is large and the market is liquid and purchased last and sold last if the market is thin and illiquid so as to not disadvantage clients.

In isolated instances where Vorpahl Wing Securities does not perform supervisory management nor provide recommendations to a client, and the account is established as non-discretionary, Vorpahl Wing Securities may provide operational services only for an annual flat fee, to be negotiated, of between \$500.00 and \$3,000.00. The fee for a partial year shall be pro-rated.

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

Vorpahl Wing Securities does not accept performance-based fees, nor does it engage in side-by-side management.

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

Vorpahl Wing Securities provides investment management services to individuals, trusts, estates, corporations, and similar organizations including charitable.

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

### **Method of Analysis, Sources of Information, and Investment Strategies**

Vorpahl Wing Securities utilizes a fundamental approach to investment analysis. When conducting research in order to identify securities for client portfolios, a primary method used is to conduct searches for issues that have desirable basic criteria such as a low price to earnings ratio, a strong balance sheet, a high return on equity, or low price to sales ratios, etc. Many such searches and resulting Vorpahl Wing Securities selections will have the characteristics of models chosen to suit the Vorpahl Wing Securities investment style.

Once a fund or an investment issue is identified as a potential candidate for further study, Vorpahl Wing Securities researches the fund or company itself, its industry, its competitive position, and as many relevant factors as possible to determine if the subject issue is suitable for inclusion in one or more Vorpahl Wing Securities client portfolio types.

### **Investment Strategies**

Vorpahl Wing Securities offers a client continuous investment advice including investment decisions based upon the individual investment needs of a client in accordance with the Vorpahl Wing Securities "Client Investment Policy Statement," other client questionnaire or statement of policy, or the equivalent.

The methods Vorpahl Wing Securities uses to invest money will vary with time frame, size of account, investment objective, and risk tolerance. Vorpahl Wing Securities will typically invest in securities carefully selected to achieve the investment objectives and goals of a client. Vorpahl Wing Securities may invest in individual securities as well as mutual funds, closed end funds and exchange traded funds (ETFs).

For growth-oriented accounts it shall be the Vorpahl Wing Securities goal to purchase quality securities when they are bargain priced and have a favorable long-term outlook. When market prices rise to the level of full valuation, the company shall be considered a candidate to be replaced with a more attractively priced issue.

This process is generally long term however; there are some occasions when a price increase can occur quickly, realizing profits in a shorter term (less than a year).

When the account is designated as Conservative Growth, Defensive, or Fixed Income, it will have an allocation of bonds, bond funds, or fixed-income type investments. When this component is \$100,000 or larger, individual bonds, preferred stock, or convertible securities may be included in the account. When the component of fixed income is under \$100,000, Vorpahl Wing Securities may use bond funds, closed-end income funds, unit investment trusts, or other income-producing funds.

The Patriot Portfolio is composed of companies that have military contracts or suppliers of defense contractors.

### **Client Risk**

Past performance of any security is not indicative of future results. Investments in the securities markets are subject to market fluctuation and financial risk, which may include loss of capital.

### **Item 9 - Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's evaluation of VWS or the integrity of VWS management personnel.

- (A) Without admitting or denying liability, and in order to avoid future legal costs, Mr. Vorpahl and Vorpahl Wing Securities, Inc. ("VWS") entered into a Letter of Acceptance, Waiver and Consent with FINRA in March 2022 (the "AWC") resolving FINRA's allegations that VWS and Mr. Vorpahl (in his capacity as the firm's principal compliance officer) had failed to supervise the activities of a registered representative of VWS in violation of FINRA Rules 3110(A) and 2010. The activities giving rise to the allegations occurred between January 2017 and April 2020, and principally involved the accounts of two clients of the registered representative. VWS terminated the registered representative in mid-2020, and he was subsequently barred in a separate FINRA proceeding from associating with any FINRA member firm in any capacity. As part of the AWC resolution, VWS agreed to a censure and the payment of a \$25,000 fine, and Mr. Vorpahl agreed to a \$7,500 fine, a three-month suspension from serving in any principal capacity, and 20 hours of continuing education focusing on suitability and excessive trading. VWS also agreed to pay restitution to each of the two affected clients to compensate them for the excessive commissions they incurred, together with interest.
  
- (B) Without admitting or denying allegations made by FINRA and to avoid future legal expense, Vorpahl Wing Securities, Inc. has entered into an Admission, Waiver, and Consent ("AWC") where FINRA alleges that "between January 2022 and March 2023, Vorpahl Wing conducted a securities business on at least 10 days while failing to maintain its minimum required net capital, in violation of Section 15(c)(3) of the Securities Exchange Act of 1934, Exchange Act Rule 15c3-1, and FINRA Rules 4110 and

2010. During this time, the firm also failed to maintain books and records reflecting an accurate computation of its net capital; filed with FINRA an inaccurate Financial and Operational Combined Uniform Single (FOCUS) report; and failed to timely file net capital deficiency notices with the SEC and FINRA when its net capital fell below its minimum requirement, in violation of Exchange Act§ 17(a), Exchange Act Rules 17a-3, 17a-5, and 17a-11, and FINRA Rules 4511 and 2010. Between January 2022 and the present, Vorpahl Wing's supervisory system, including its written supervisory procedures (WSPs), was not reasonably designed to ensure compliance with net capital and financial notification rules, in violation of FINRA Rules 3110 and 2010.” Acceptance of the AWC resulted in a monetary fine of \$25,000.00.

## **Item 10 - Other Financial Industry Affiliations**

Vorpahl Wing Securities has a contractual relationship with and effects its transactions through Charles Schwab & Co, Inc. (“Schwab”). However, Vorpahl Wing may use additional select custodians or custodians selected by the client. In such cases, custodians shall be disclosed in the client Asset Management Agreement. Vorpahl Wing Securities is also an insurance agency and Tim Vorpahl is a registered representative with Selkirk Investments, Inc. (“Selkirk”). Non-investment advisory, insurance related products are serviced and may be sold through Selkirk Investments, Inc. and cleared through Hilltop Securities, Inc.

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

### **Code of Ethics**

A Code of Ethics (the “Code”) has been established by Vorpahl Wing Securities to establish “best practices” and create the highest standards of ethical conduct supporting Vorpahl Wing Securities’ fiduciary responsibility to its clients. The Code is designed to and requires that Vorpahl Wing Securities and its personnel:

- > Promote honest and ethical conduct, including the ethical handling of actual or perceived conflicts of interest between personal and professional relationships;
- > Effect full, fair, accurate, timely, and understandable disclosures in reports and documents that are provided to clients or filed or submitted to the U.S. Securities and Exchange Commission (“SEC”), Washington State, and other state securities regulators, and in other public communications made by Vorpahl Wing Securities;
- > Never place the personal interests of Vorpahl Wing Securities or its employees, improperly, before the interests of clients;
- > Comply with the Compliance policy of Vorpahl Wing Securities;
- > Comply with applicable federal and state laws, rules, and regulations;
- > Promptly report any known or perceived violations of the Code.

The Code memorializes Vorpahl Wing Securities’ commitment to ethical conduct premised on fundamental principles of openness, integrity, honesty, and trust.



Vorpahl Wing Securities is further committed to not only live up to the letter of the law but also the ideals stated within this Code and to actively work with its Associated Persons to always do the right thing and act in the client's best interest.

Material Nonpublic Information - Under its Code, the protection of material nonpublic information is most important to Vorpahl Wing Securities and the Vorpahl Wing Securities Code of Ethics establishes the fact that the improper use of material nonpublic information for an employee's own gain is not only unethical and in fact, illegal.

The Vorpahl Wing Securities Code prohibits the improper use or dissemination of material nonpublic information regarding the business of Vorpahl Wing Securities, its securities recommendations, and client securities holdings and recommendations.

Securities Trading of Vorpahl Wing Securities Personnel - The Vorpahl Wing Securities Code calls for the reporting of all personal securities transactions to Vorpahl Wing Securities and for the careful review of personal securities transactions by the President.

Additionally, the Vorpahl Wing Securities Code requires that employees seek the permission of the Vorpahl Wing Securities President to engage in certain types of investments where a potential conflict of interest may exist.

Reporting and Accountability - The Code of Ethics of Vorpahl Wing Securities establishes a clear responsibility for employees to fully adhere to the Code and to immediately report perceived or real violations of the Code to the President

Confidentiality - Confidentiality is essential to the operations of Vorpahl Wing Securities and the Vorpahl Wing Securities Code of Ethics establishes an adamant prohibition regarding the inappropriate disclosure of client and business information to inappropriate persons.

Questions about the Vorpahl Wing Securities Code of Ethics may be directed to the President at (509) 747-1749.

**Vorpahl Wing Securities does not recommend to clients nor buy or sell from clients any securities in which it maintains a material financial interest.**

**Participation or Interest in Client Transactions – Vorpahl Wing Securities may buy the same securities as recommended to clients.**

Vorpahl Wing Securities and its employees may invest funds in the same securities as it recommends to clients or that may be held in a client account. Vorpahl Wing Securities will not cause any purchase or sale for its own portfolio to be made to or from a client account.

It is the policy of Vorpahl Wing Securities that when securities are being initially purchased for, or sold from, a client's portfolio, orders for the same securities from Vorpahl Wing Securities and its employee's accounts may also be executed if the market is liquid. Neither Vorpahl Wing Securities nor its staff will trade ahead of a client.

## **Item 12 - Brokerage Practices**

### **Directed Brokerage**

Vorpahl Wing Securities has negotiated what it believes to be favorable execution rates with and executes its transactions through its custodian, Schwab. Under FINRA and SEC rules, broker-dealer custodians have an obligation to seek the best execution possible for Vorpahl Wing Securities' clients. Vorpahl Wing Securities ensures that they test executions for best execution.

Not all advisers require their clients to utilize directed brokerage, and it may be possible to achieve lower rates than those provided by clearing firm(s) used by Vorpahl Wing Securities.

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

The President of Vorpahl Wing Securities reviews all transactions on a daily basis and a selection of accounts on a monthly basis.

Additional or more frequent reviews may occur depending on factors such as market volatility, type of investment, amount invested, client specifications, or unique political or economic circumstances.

Reviews take into account among other things continued client suitability, obtaining client investment goals, compliance with client risk tolerance, investment performance and liquidity issues. Monthly reviews shall include client portfolio reports with cost basis and market values. Tax information and account history is reviewed for all accounts annually. Additionally, a review may take place as a result of a client meeting, a change in client goals or objectives, or at the request of a client.

Market volatility, changes of portfolio managers, funds style drift, or economic/political changes are each additional occurrence that may cause a review of an account as well as changes in client goals and objectives.

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

Vorpahl Wing Securities does not provide investment advice or other advisory services to any party who is not a client of Vorpahl Wing Securities.

As of this date, Vorpahl Wing Securities does not have an arrangement to compensate any party for referrals of business.

## **Item 15 - Custody**

Vorpahl Wing Securities' clearing firm and qualified custodian utilized will provide quarterly statements directly to the client. Vorpahl Wing Securities urges the client to carefully review statements provided by custodians.

## **Item 16 - Investment Discretion**

All advisory accounts are managed on a discretionary basis under an Asset Management Agreement with a discretionary provision.

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

Vorpahl Wing Securities does not vote proxies for clients. Each client shall receive proxies from the custodian and shall vote them as they, themselves, determine.

## **Item 18 – Financial Information**

This section is not applicable to Vorpahl Wing Securities.

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

### **Timothy J. Vorpahl, President and Chief Compliance Officer**

#### **Formal Education and Business Background**

Timothy J. Vorpahl graduated from Eastern Washington University in 1982 in Business Administration with an emphasis in Economics. Mr. Vorpahl entered the investment industry in 1982. Mr. Vorpahl founded Vorpahl Wing Securities in 1999 and remains its President today. He holds the Series 7, 24, 28, 53, 63, and 66 examination qualifications. Mr. Vorpahl also holds a life and health insurance license for Washington State.

Mr. Vorpahl is registered with Selkirk Investments, Inc. as a registered representative in order to service a limited number of non-advisory insurance securities products. Mr. Vorpahl spends less than one half of one percent of his time addressing these securities.

Other than is disclosed in Item 9, above, neither Vorpahl Wing Securities nor any associated person has been found to be liable in any arbitration claim nor in any civil, self-regulatory organization, or administrative proceeding.

Neither Vorpahl Wing Securities nor any associated person has a relationship with any issuer of securities.