Howard Financial Services, Ltd.

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March 2026 Brochure
Part 2A of Form ADV

This Brochure provides information about the qualifications and business practices of Howard Financial Services, Ltd. ("HFS"). If you have any questions about the contents of this Brochure, please contact us at (214) 346-0785. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Howard Financial Services, Ltd. is a Registered Investment Adviser. Registration of an Investment Adviser does not imply any level of skill or training. Additional information about Howard Financial Services, Ltd. is available on the SEC's website at www.adviserinfo.sec.gov.

HFS WEALTH MANAGEMENT EST. 1994

HFS CAPITAL PARTNERS EST. 2013

Item 2 – Material Changes

Since our last filing, we have had the following material changes:

- Changes due to the annual updating amendment
- Update to the tiers of our blended tiered fee schedule.
- Certain accounts may be designated as Courtesy Accounts (client-directed accounts). For such accounts, HFS is permitted to charge a fixed maintenance fee, subject to a stated maximum ("ceiling"). HFS is not currently charging this fee.
- An HFS owner serves as a director of a publicly traded special purpose acquisition company ("SPAC"). This role involves equity-based compensation and presents a potential conflict of interest. Additional information regarding this affiliation and the Firm's conflict mitigation procedures is provided in Item 10.

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Item 4 – Advisory Business

Howard Financial Services, Ltd. ("HFS", "we", "our") was founded in 1994 as a fee-only wealth management firm. We provide personalized investment management and financial planning services to high-net-worth individuals, individuals, trusts, estates, charitable organizations, small businesses, and pooled investment vehicles. Investment management and financial planning services are provided through our HFS Wealth Management division. HFS also serves as the investment advisor to affiliated private investment offerings ("private placements") through our HFS Capital Partners division. Neither division accepts commissions.

HFS offers a range of services to meet client needs. Our services may include, but are not limited to, determination of investment and financial objectives, identification of financial deficiencies, risk analysis, and cash flow management. We offer strategic tax planning, legacy planning, retirement planning, insurance advice, and education funding recommendations. We also provide investment review and/or investment management services. Additionally, we consult small businesses on their organizational structure and help them plan for succession, merger and acquisition transactions, and general business planning. If you hire us to manage your investments, you may impose restrictions, at any time, on investment in certain securities or types of securities through an Investment Policy Statement ("IPS").

Principal owners of Howard Financial Services, Ltd. are James N. Howard, John T. Howard as trustee of The Thomas 1991 Investment Trust, and Stephen J. Howard as trustee of The James 1991 Investment Trust. As of December 31, 2025, HFS managed $1,401,802,140 of assets on a discretionary basis and $0 on a non-discretionary basis.

Item 5 – Fees and Compensation

Investment Management

The scope of work and advisory fees are agreed upon in our Comprehensive Wealth Management Advisory Agreement and corresponding exhibit(s). In most cases, advisory fees are charged as a percentage of assets under management, and are calculated and paid quarterly, in arrears, based on the average daily balance of all billable assets in a client's account(s) during the applicable calendar quarter. Clients authorize HFS to deduct advisory fees directly from their custodial account(s). In certain circumstances, fees may instead be billed directly to the client. Authorization for fee deduction is provided in the client's advisory agreement. Account(s) initiated or terminated during a calendar quarter will be charged a prorated advisory fee, based on the number of days remaining in the calendar quarter.

Most of our clients that are not private placements are billed based on the tiered fee schedule shown below. It is a blended schedule which means different asset levels are assessed at different rates. Our highest advisory fee charged as a percentage of assets under management is 1.00% for clients that are not private placements. Some clients are billed at a fixed percentage and are not subject to the tiered schedule. Certain clients are charged an annual fixed fee, not to exceed $60,000, that is paid monthly or quarterly in arrears.

Fee	Asset Level
1.00%	$0 - $3,000,000
0.85%	$3,000,001 - $5,000,000
0.50%	Above $5,000,000

In some situations, HFS will hold client accounts on our custodial platforms that are considered to be outside of HFS' customary oversight and management. These accounts may be designated as "Courtesy Accounts" and are client-directed accounts. For Courtesy Accounts, HFS may charge a fixed annual maintenance fee for each such account with a ceiling of no more than $100, payable in arrears, in equal quarterly installments. HFS is not currently charging this fee. Courtesy Accounts will be EXCLUDED from HFS Wealth Management advisory fee calculations.

All advisory fees are negotiable and current client relationships exist where the fees are higher or lower than the fee schedules outlined above. HFS may aggregate related accounts for the purpose of calculating advisory fees. Related accounts may include accounts owned by members of the same household, family members, or entities under common control. Aggregating related accounts may allow clients to benefit from lower advisory fee tiers under our blended fee schedule. The decision to aggregate accounts is made on a case-by-case basis and must be agreed upon by the client.

In certain circumstances, clients may authorize HFS to deduct advisory fees from an account that is different from the account receiving advisory services (for example, another account within the client's household or an account owned by a related party). In such cases, the account owner providing the payment must provide written authorization permitting HFS and the custodian to deduct advisory fees from that account. Clients are encouraged to review custodial account statements to verify that advisory fees are deducted in accordance with their authorization.

HFS may also select and appoint, per our discretion, one or more sub-advisor(s) to clients' account(s). Such sub-advisor(s) shall have the same discretionary investment authority and fee deduction authority of clients' account(s) as is granted to HFS. Authority is granted with the execution of our Comprehensive Wealth Management Advisory Agreement. All fees charged by sub-advisor(s) are in addition to HFS' advisory fees.

Investments related to HFS Capital Partners maintain their own fee structure, which is disclosed in each respective private placement's offering documents. HFS Capital Partners investments are EXCLUDED from HFS Wealth Management advisory fee calculations.

Our advisory fees exclude costs and expenses imposed by custodians and sub-advisors. Such costs and expenses can include, but are not limited to, custodial fees, transfer fees, wire fees, and securities transaction fees. Mutual funds, money market funds, and exchange traded funds also charge internal management fees which are disclosed in a fund's prospectus. **See Item 12, "Brokerage Practices", for further information on the factors that we consider in selecting or recommending broker-dealers/custodians.**

Financial Planning

The scope of work for fees related to financial planning services are agreed upon in our Financial Planning Advisory Agreement and corresponding exhibit(s). Fees related to financial planning are billed by invoice. Financial planning projects and ongoing planning services are priced according to the degree of complexity and estimated time requirements associated with the plan. All financial planning fees are negotiable and current client relationships exist where the fees are higher or lower than the fees outlined below.

The minimum fee for a financial plan is $7,500, but not to exceed $75,000. Fees for financial plans and most financial planning projects are billed half upfront, with the remaining balance due within 60 days or a specified timeframe. For ongoing planning services, fees are charged at a fixed rate and are paid either monthly or quarterly, in arrears.

In some situations, we charge fees at an hourly rate of $500 which are billed monthly or quarterly, in arrears.

Client relationships initiated or terminated between billing periods will be charged a pro-rated fee based on the number of days transpired in the period

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

HFS serves as the investment advisor to affiliated private placements; HFS receives an advisory fee for these services. The advisory fee paid by the affiliated private placements could be higher than advisory fees paid by other clients. HFS affiliates can receive additional compensation, including performance-based fees. Performance fees are calculated on a share of profits after achieving defined performance hurdles. The fee structure of the affiliated private placements creates a conflict of interest with our clients because HFS and the affiliates may earn higher fees than would be earned under our advisory fee structure. In theory, HFS could have an incentive to favor a private placement that pays higher advisory fees and performance-based fees over an investment that does not have this fee structure.

Investments in HFS affiliated private placements are EXCLUDED from HFS Wealth Management advisory fee calculations. Clients investing with HFS affiliates are provided documentation of the fee structure through offering documents for the private placements. You are under no obligation to invest with an HFS affiliate. Investments containing performance-based fees are only offered to clients who meet the Accredited Investor and Qualified Client investor standards.

Any conflict created by HFS simultaneously advising on investments that have different fee structures is mitigated, first and foremost, by HFS' fiduciary duty to place the best interest of our clients first. We also mitigate this conflict through adequate disclosure, the exclusion of all HFS Capital Partners' investments from HFS Wealth Management's advisory fee calculations, and by not requiring you to invest in any of the private placement offerings. **See Item 10, "Other Financial Industry Activities and Affiliations", for further discussion.**

Item 7 – Types of Clients

We generally provide investment advice to high-net-worth individuals, individuals, pension and profit-sharing plans, trusts, estates, charitable organizations, small business owners, and affiliated entities. The minimum account size for investment management is $750,000.

We have discretion to waive the account minimum.

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

Our clients can be exposed to a variety of investments including but not limited to stocks, bonds, real estate (equity and debt), mutual funds, exchange traded funds, commodities, convertible bonds, master limited partnerships, international investments, and private placement offerings. All investing involves risk, including the risk of loss, that you should be prepared to experience. We attempt to structure portfolios in such a way as to reduce risks; however, no guarantees can be made.

Security analysis methods may include, but are not limited to:

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

Technical analysis attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns, and if these patterns

can be identified, then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not consider new patterns that emerge over time.

Quantitative analysis deals with measurable factors as distinguished from qualitative considerations such as the character of management or the state of employee morale, such as the value of assets, the cost of capital, historical projections of sales, and so on.

Our main sources of information for analysis include financial publications, research materials prepared by others, peer networks, corporate rating services, annual reports, prospectuses, SEC filings, company press releases and third-party data vendors.

Our primary investment strategy is strategic asset allocation of equity, fixed income, and alternative investments.

Equity investments are accessed primarily through no-load mutual funds, ETFs, and, to a lesser degree, separately managed accounts, private placement offering, when appropriate, and individual securities. Material risks of equity investments include:

- Market Risk: The price of a security may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic, and social events may trigger market events.
- Interest Rate Risk: Fluctuations in interest rates may cause investment prices to fluctuate. For example, rising interest rates may have a negative effect on a security's value.
- Inflation Risk: When inflation is present, a dollar today will buy more than a dollar next year, because purchasing power is eroded by inflation.
- Currency Risk: Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country.
- Business Risk: These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding and producing oil, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- Liquidity Risk: Some investments may be difficult to quickly sell or convert to cash without a significant loss in value. For instance, Treasury Bills are highly liquid, while private placement offerings are typically illiquid.
- Financial Risk: Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.
- Tax Risk: The risk a taxing authority will change tax laws that will negatively affect an investment.
- Timing Risk: The risk that factors cause you to buy or sell an investment at an inappropriate time.

Fixed income investments are accessed through no-load mutual funds, ETFs, separately managed accounts, individual securities, and private placement offerings, when appropriate. Risks of investing in fixed income strategies include the same risks previously discussed with equity investments. Additional risks associated with fixed income strategies include:

- Credit/Default Risk: The risk that a borrower will be unable to make a payment of interest or principal in a timely manner.
- Reinvestment Risk: The risk that cash flow will not be able to reinvest at the same rate as the existing investments.

- Prepayment Risk: The risk that a security is paid off prior to maturity, and the proceeds will have to be invested in an uncertain environment.
- Interest Rate Risk: Low interest rates may decrease the ability to sustain an income stream through fixed income securities.

We have and will recommend investments in private placement real estate offerings and oil/gas related offerings, when appropriate. Real estate investments carry a unique set of risks that need to be considered prior to investment. Potential risks include interest rate, market, liquidity, development, and default. Oil and gas-related investments carry a unique set of risks that need to be considered prior to investment. Potential risks include risks previously discussed for other investment types. Clients considering these offerings should refer to the offering documents for more complete details.

No investment is without risk. The risk of loss is real and needs to be adequately considered prior to making any investment. Past performance is no guarantee of future results.

Item 9 – Disciplinary Information

HFS and management personnel have not been involved in any legal or disciplinary events.

Item 10 – Other Financial Industry Activities and Affiliations

HFS owners are affiliated with an oil and gas mineral acquisition firm, Pecan Creek Energy, LP. Pecan Creek Energy, L.P. will acquire mineral interest for HFS affiliated partnerships and charge a fee. This creates a potential conflict of interest because these HFS owners may exercise control over both parties. HFS will continue to use unaffiliated firms to acquire mineral interests for our affiliated partnerships and utilize the firm with the best offering of mineral interest to help mitigate the conflict. Additionally, Pecan Creek Energy, LP. will not acquire mineral interest directly for or from HFS Wealth Management clients.

HFS owners have a material conflict of interest as board members of non-profit organizations that are also clients of HFS. This is a conflict of interest because these HFS owners may exercise control over both parties. This conflict is mitigated by HFS' obligation to place the best interest of our clients first. We also mitigate this conflict by requiring that another board member sign or co-sign on any engagement between HFS and the non-profit organization that involves an advisory fee.

An owner of HFS, Stephen J. Howard, serves as a director of Crane Harbor Acquisition Corp. ("CHAN"), a publicly traded special purpose acquisition company ("SPAC"). In connection with this role, Mr. Howard receives equity-based compensation. As a director, Mr. Howard participates in periodic board meetings and other governance activities associated with overseeing the operations and strategic direction of CHAN.

This board service presents potential conflicts of interest. As a director of a publicly traded company, Mr. Howard may have access to material nonpublic information ("MNPI") regarding CHAN and, in the case of a potential business combination, information relating to companies that CHAN may evaluate as potential acquisition targets. In addition, because Mr. Howard receives equity-based compensation in connection with his board service, he has a financial interest in the performance of CHAN and the successful completion of a business combination transaction. These circumstances may create potential conflicts between Mr. Howard's personal interests and the interests of advisory clients.

HFS is committed to acting in the best interests of its clients and has implemented policies and procedures designed to address these potential conflicts and the risks associated with

MNPI. These safeguards include, but are not limited to, the following:

- Trading Restrictions: HFS maintains a firm-wide restricted list that includes CHAN and may include related issuers or transaction counterparties as appropriate. The Firm generally prohibits trading in securities of CHAN while Mr. Howard serves on the board and may impose additional restrictions when appropriate to address potential MNPI concerns.
- MNPI and Insider Trading Controls: HFS maintains policies and procedures designed to prevent the misuse of material nonpublic information, including policies governing restricted lists, employee trading pre-clearance, and employee reporting requirements. If HFS determines that Mr. Howard may possess material nonpublic information through his board service, the Firm may impose additional trading restrictions, including restrictions relating to issuers that may be involved in potential transactions with CHAN, until such information is determined to be public or no longer material.
- Recusal Procedures: To the extent applicable, Mr. Howard will not participate in advisory investment decisions involving CHAN or other issuers where his board service may create a conflict of interest or where he may possess material nonpublic information.
- Compliance Oversight: HFS' compliance program monitors adherence to the Firm's Code of Ethics, insider trading policies, and restricted list procedures. These policies are designed to prevent conflicts from adversely affecting advisory clients.
- Post-Service Restrictions: Following the conclusion of Mr. Howard's board service, the Firm may maintain trading restrictions for a period of time deemed appropriate by the Firm's compliance personnel to address any continuing concerns regarding material nonpublic information.

HFS does not solicit advisory clients to invest in CHAN, and clients are not obligated to invest in any securities associated with Mr. Howard's outside business activities. If CHAN identifies a potential acquisition target or enters into a proposed business combination transaction, HFS may place the securities of the target company or related issuers on the Firm's restricted list and may prohibit trading in such securities where the Firm believes that material nonpublic information may be present. HFS will evaluate any potential participation by advisory clients in private placements or financing transactions involving CHAN, including PIPE (private investment in public equity) transactions, in accordance with the Firm's allocation policies and conflict management procedures.

HFS owners are affiliated with the general partners of various private placements. We recommend these private placement investments for certain qualifying clients. This creates a potential conflict of interest because these HFS owners may exercise control over both parties, and as members of the general partners (HFS owners), we receive fees from these private placements. This conflict is mitigated by HFS' obligation to place the best interest of our clients first. We also mitigate this conflict through adequate disclosure, the exclusion of all HFS Capital Partners' investments from HFS Wealth Management's advisory fee calculations, and by not requiring you to invest in any of the private placement offerings.

HFS may select and appoint one or more sub-advisor(s) to client's account(s). When selecting sub-advisors, the Client's best interest will be the main determining factor for HFS.

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

We adopted, and all affiliated persons (affiliated persons include employees, partners, and directors) have committed to, a Code of Ethics ("Code") that describes our standards of business conduct and methods for addressing conflicts that may arise. If a conflict occurs, it

is our obligation to put your interests ahead of the interests of either our affiliated persons or HFS. The Code reflects HFS and its supervised persons' responsibility to act in the best interests of our clients, our fiduciary duty. You may request a copy of our Code of Ethics at any time.

The Code prohibits affiliated persons from using material non-public information for their personal gain or otherwise misusing this information. Affiliated persons ARE permitted to trade for their own account(s) in investments ("personal trading") which are recommended to and/or traded for you. Personal trading can be conducted at/or about the same time recommendations are made and/or traded for you. The Code is designed to ensure that personal trading will not interfere with making decisions in clients' best interests. In order to reasonably prevent conflicts of interest that might arise from personal trading, such as frontrunning, or dissemination of material non-public information, HFS' Chief Compliance Officer, or his/her designee, will no less than quarterly review the trades and holdings of all affiliated persons.

In appropriate circumstances and consistent with your investment objectives, we may recommend the purchase of private placements in which HFS owners, partners, directors, and employees have a position of interest. HFS affiliated persons often invest in the same private placements as our clients. Due to the nature of private placement investing, investments by affiliated persons do not influence pricing. Should a conflict arise, it is mitigated, first and foremost, by HFS' fiduciary duty to clients. We also mitigate this conflict through adequate disclosure, the exclusion of all HFS Capital Partners' investments from HFS Wealth Management's advisory fee calculations, and by not requiring you to invest in any of the private placement offerings.

As disclosed in Item 10 above, an owner of the Firm serves as a director of a publicly traded special purpose acquisition company ("SPAC"). In connection with this role, the individual may have access to material nonpublic information ("MNPI") relating to the SPAC or potential business combination targets. Consistent with the Firm's Code of Ethics and insider trading policies, HFS maintains policies and procedures designed to prevent the misuse of MNPI. These procedures include the use of restricted lists, employee trading pre-clearance requirements, and monitoring of employee securities transactions.

When appropriate, the Firm may prohibit trading in securities of issuers where MNPI concerns may exist, including the SPAC and related issuers. These measures are designed to ensure that advisory personnel do not misuse confidential information and that client transactions are conducted in accordance with the Firm's fiduciary duty and applicable securities laws.

Item 12 – Brokerage Practices

We request that you establish brokerage account(s) with a recommended qualified custodian of our selection. Any custodian recommendation will be with a FINRA registered broker-dealer and member SIPC. HFS is not affiliated with any broker-dealer and we are independently owned. The services that are provided to you by the custodian include, but are not limited to, the execution of securities transactions, maintaining custody of your account(s), and access to mutual funds and other investments that are otherwise generally available only to institutional investors or require a significantly higher minimum initial investment. Custodian services that assist HFS in administering client's accounts include: (i) software; (ii) provide access to account data (such as trade confirmations and account statements); (iii) facilitate trade execution; (iv) provide research, pricing, and other market data; (v) facilitate payment of our fees from client's accounts; and (vi) assist with back-office recordkeeping. We select custodians based upon proven integrity, financial strength, execution, pricing, and service model. The nature, cost, or quality of brokerage services are

not the sole factors considered when selecting a custodian, which can create a potential conflict of interest. We feel that in light of additional services provided to you, our personnel, and our firm, transaction costs are reasonable. We do not receive fees, commissions, or referrals from any custodian.

Custodians also make available to HFS other products and services that benefit us ("Soft Dollar Benefits"), but may not directly benefit our clients' accounts. Such situations may affect HFS' ability to seek best execution. The products and services custodians offer to HFS are intended to help further develop or manage our business and provide industry education. Some of the ways custodians provide these services are through publications, seminars, and conferences on industry education and practice management. Occasionally, business entertainment is provided to our personnel by the custodian.

HFS may aggregate trades in an effort to provide clients with consistent transaction pricing. We most often aggregate trades when a block of individual securities is being transacted across multiple client accounts.

Item 13 – Review of Accounts

Our investment management services provide ongoing monitoring of your account(s). We will periodically request a meeting with you, with a goal of doing so at least annually. You can request a meeting or performance report at any time. HFS manages your investments around market conditions, your goals, objectives, and risk tolerance. HFS will authorize trades within parameters set by your IPS. Broad investment considerations are determined by HFS' Investment Team. You will receive written statements at least quarterly directly from the custodian for public securities. The statement will show all transactions that occurred, and list portfolio holdings held by the custodian priced as of month-end. HFS provides clients with a quarterly performance report priced as of quarter-end for public securities and estimated values for private securities. We urge you to carefully review the report for accuracy and compare the holdings to the statement provided by the custodian. Our reports can vary from custodial statements based on accounting procedures, reporting dates, or valuation methodology for private securities.

Item 14 – Client Referrals and Other Compensation

HFS receives referrals from various sources, some of which are current clients, attorneys, accountants, other professionals, and friends/family of employees. We do not pay for referrals. We are members of the National Association of Personal Financial Advisors (NAPFA), which is an association of fee-only financial planners. NAPFA has a referral program from which we receive referrals for prospective clients. We do not compensate NAPFA for the referrals, however there are membership fees to join the organization. **See Item 10, "Other Financial Industry Activities and Affiliations", for discussion of fees that the general partners receive on the private placements we manage.**

Item 15 – Custody

HFS and affiliated entities have custody of funds and/or securities in certain situations.

Accounts that HFS is deemed to have custody are examined on a surprise basis at least annually by a Public Company Accounting Oversight Board ("PCAOB") registered and inspected accounting firm.

If you authorized HFS to direct your qualified custodian to move money to a third-party by an executed Standing Letter of Authorization ("SLOA"), we are deemed to have limited

custody. Aside from HFS affiliated private placements, we take various precautions with our qualified custodian to be exempt from the annual audit requirement for accounts that HFS has limited custody.

HFS affiliates have custody over assets invested in HFS affiliated private placement offerings. **See item 10, "Other Financial Industry Activities and Affiliations", for further information.** Private placements are audited annually by a PCAOB registered and inspected accounting firm. The audit reports are distributed to investors upon completion.

Assets, except for the private placements mentioned above, are held by a qualified custodian that directly provides you with statements at least quarterly. These statements are delivered to the address of record, which can be a physical or electronic (e.g., email) address. Investors in the HFS private placements receive investment updates from the manager of the offering.

HFS provides clients with a quarterly holdings report. We urge you to carefully review the report for accuracy and compare the holdings to the statement provided by your account custodian. Our reports can vary from custodial statements based on accounting procedures, reporting dates, or valuation methodology for private securities. **See Item 13, "Review of Accounts", for further information.**

Item 16 – Investment Discretion

Most clients grant HFS discretionary investment authority at the onset of investment management services. This authority is granted with the execution of our Comprehensive Wealth Management Advisory Agreement and allows us to make public investments for you without receiving your permission before each trade. When selecting securities and determining amounts to trade we observe any restrictions you have requested in your executed IPS. **See Item 4, "Advisory Business", for further information.**

Item 17 – Voting Client Securities

You will receive proxy solicitations directly from the custodian. As a matter of firm policy and practice, we do not have any authority to vote proxies for you. You retain the responsibility for receiving and voting proxies for all securities maintained in your account(s). You are welcome to contact us with questions about a particular solicitation.

Item 18 – Financial Information

We do not have any financial impairment that will preclude the firm from meeting contractual commitments to you and have not been the subject of a bankruptcy proceeding. A balance sheet is not required to be provided because we do not serve as a custodian for client funds or securities, and do not require prepayment of advisory fees of more than $1,200 per client, and six months or more in advance.