

**Part 2A of Form ADV: Firm Brochure**

Item 1 Cover Page

Torres Financial Services, Inc.

14603 Huebner Road Building 23

San Antonio, Texas 78230

210-342-2700

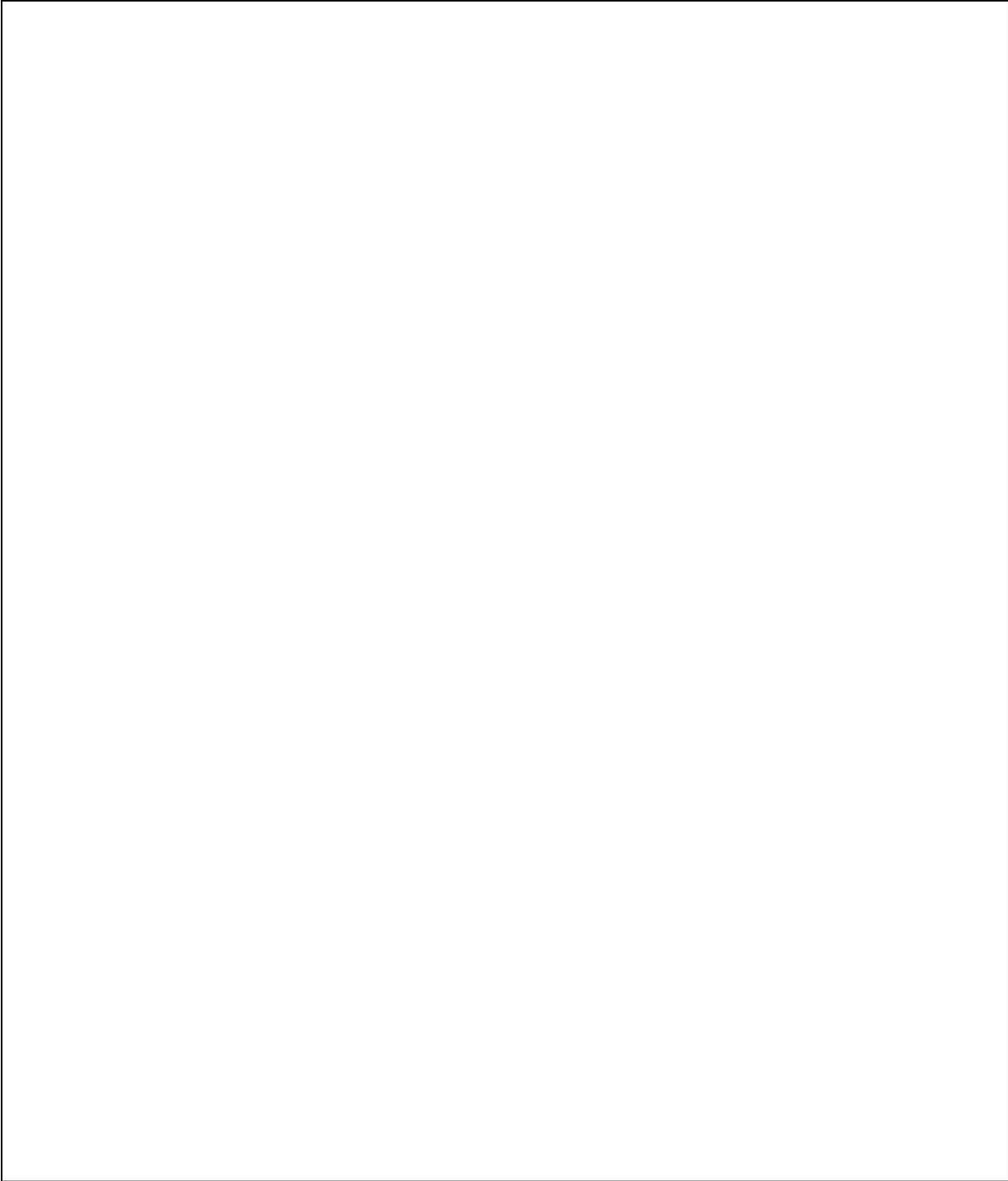
This brochure provides information about the qualifications and business practices of Torres Financial Services, Inc. If you have any questions about the contents of this brochure, please contact us at (210) 342-2700 or [rudy@torresfinancial.com](mailto:rudy@torresfinancial.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Item 2 Material Changes

Torres Financial Services, Inc. has had no material changes in the past year from its last filing date.

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## 1. ADVISORY BUSINESS

Torres Financial Services, Inc.(TFS) offers financial management services to individual and their families, business, retirement plans, charitable organizations, and trusts. Rudy Torres, President of TFS has more than 17 years of experience in the financial Services Profession. TFS's services include asset management, financial planning, and financial consulting.

### Asset management Services:

Services for asset management clients, TFS provides advice regarding asset allocation as well as the purchase and sale of stocks, bonds, mutual funds, certificates of deposit, money market funds, government securities, and obligations, debt securities, and other securities. TFS's services are offered on both a discretionary basis and non-discretionary basis, depending on the client's needs. Each client enters into an agreement for service that details the services to be provided and the fees to be charged. As of 12/31/2014 there is \$1,462,424 non-discretionary and \$25,512,961 discretionary funds under management.

### Financial Planning Services:

Services. For Financial Planning Clients, TFS will examine the client's current financial situation and will prepare an analysis of the client's financial position in light of the Clients need and objectives. TFS will prepare a personal financial plan for the Client; this plan will contain TFS's financial and investment recommendations. Each client determines the subjects to be addressed in the financial plan. These subjects may include cash flow budgeting and planning; college education planning; disability income planning; investment planning; life insurance planning; regiment planning; heal chare planning or other areas of concern to the client.

### Financial Consulting:

TFS offers financial consulting services in areas other than investment management. These areas may include real estate management; biasness growth and development; personal cash

flow statement analysis, college education funds; disability income funds in; investment planning; live insurance; retirement funds in health care expense funding; or there areas of concern to the client.

TFS Provides No Legal Services, or Certified Public Accounting Services.

Although some of TFS;s employees and related persons may be attorneys or certified public accountants. TFS does not provide legal services or certified public accounting services. TFS also does not prepare or file Client's income tax returns. Clients should consult their own attorneys and certified public accountants.

## 2. Fees and Compensation

### Asset Management Fees:

TFS's asset management fees are typically based on a percentage of the value of the assets in the client's portfolio under TFS's management. TFS's fees are charged in advance, either quarterly or monthly or as negotiated with the client. The period for which fees are charged is called the "Billing Period". Fees are calculated using the value of the clients assets under TFS's management, including all types of securities, cash, lines of credit, asset-backed loans, margin loans, and other assets (real estate and other assets), as of the last day of the preceding Billing Period on which the New York Stock Exchange was open for trading. The client provides authorization for TFS to direct the custodian to deduct TFS's Fees from the client's brokerage account. TFS asset management fees may be negotiated and set up using an hourly basis, or a fixed dollar value.

TFS's customary annual fees are 2.00% of the assets under TFS's management. TFS may negotiate fees under certain circumstances, such as with clients who have multiple accounts under TFS's management, and therefore TFS's fees may vary from client to client. If a client opens and account with TFS part way through a Billing Period, TFS's fees will be calculated pro-rata, based on the number of days remaining in the billing period, and will be based on the value of the client's assets on the day the account with TFS is opened.

### Other charges to the Client's account.

TFS's asset management fees do not include any bank fees, margin interest, national securities exchange fees, wire transfer fees, or other costs or fees associated with securities transactions or required by law. Client's funds awaiting investment may be placed in a money market fund that may be affiliated to the custodian. TFS's fees do not include any internal fees and expenses of any money market fund. Accounts with funds invested in mutual funds will bear a proportionate share of the mutual fund's internal fees and expenses.

### Termination of Agreements.

Asset management clients are required to sign a written agreement with TFS. The agreement provides that it shall be continuous until one party to the agreement terminates it. Each agreement

also provides that the client may terminate the agreement with five business days of its effective date

without paying any fees or penalties to TFS. Once the initial five-day period has passed, either party to the agreement may terminate the agreement at any time providing written notice to the other party. If the agreement is terminated partway through a calendar quarter, in writing, and closing accounts, TFS will refund pro-rate any fees collected in advance, based on the number of days remaining in the "Billing Period".

Financial Planning Fees for Service:

Fees. TFS's financial planning services are offered at flat rates or at hourly rates. Each Client is required to sign an agreement that sets out the services TFS will provide and the method by which fees will be charged. The amount of a flat fee will be determined by the amount of work TFS is required to perform under the agreement. Hourly rates are generally charged \$250.00 per hour.

Financial Consulting Services:

TFS charges flat rates or hourly rates for financial consulting services. Hourly rates are usually charged at \$200.00 per hour. Asset management Clients may agree to have financial consulting fees deducted from their accounts under TFS's management. Clients who are not asset management clients will receive a monthly invoice and may make arrangements to pay TFS by check or by credit card. Each client is required to sign an agreement with TFS that sets forth the hourly rate to be paid and the payment arrangements.

Additional Compensation:

TFS recommends Pershing to serve as the Custodian for Client's accounts. TFS may receive research from Pershing, and Pershing may supply TFS with products and services that assist TFS in managing and administering client's accounts. These products and services include software and other technology that provide TFS with access to client account data at Pershing (such as trade confirmations and account statements), facilitate trade execution, provide research, pricing information and other market data, facilitate payment of TFS's fees from its Client's accounts, and assist TFS with back-office support, recordkeeping and client reporting. Many of these products and services may be used for all or a substantial number of TFS's accounts, including accounts not maintained at Pershing.

Pershing may also provide TFS with other services intended to help TFS manage and further develop its business. These services may include publications and access to seminars on practice management, information technology, business succession, regulatory compliance, and marketing.

Additionally, investment advisor representatives of TFS, through such representative's association as a licensed insurance agent, may also receive selling compensation resulting for the sale of insurance products to client of TFS.

### 3. Performance-Based Fees and Side by Side Management

TFS currently has one client in a Performance-based fee management program. In addition to lower quarterly asset-based fee, TFS and client have agreed to a percentage of any gains in the account. There is no conflict of interest by managing this account as opposed to managing the other asset based fee accounts. They are all treated equally.

#### 4. Types of Clients

TFS provides investment advice to:

1. Individuals
2. Pension and Profit Sharing Plans
3. Trust, Estates or Charitable Organizations
4. Corporations or business entities other than those listed

## 5. Methods of Analysis, Investment Strategies and Risk of Loss

### Investment Strategies:

TFS uses Long Term Purchases, Securities Held for at least one year, Short Term Purchases, Securities sold within a year, Margin Transactions, Option Writing, including Covered Options, Trading.

### Methods of Analysis:

The Method of Analysis primarily comes from Fundamental Data that is collected from independent sources, like Morningstar and S&P reports, and Technical Data that is viewed on our trading system. We also gather information from Financial newspapers, magazines, company press releases, Corporate Annual Reports, Prospectuses, Filings with the Securities and Exchange Commissions.

### Risk of Loss:

Investments are NOT all FDIC insured and may lose principal value.

**6. Disciplinary Information**

There are no disciplinary actions against TFS.

**7. Other Financial Industry Activities and Affiliations**

TFS holds an insurance license in the state of Texas, and is affiliated with some insurance companies or general agencies.

## 8. Code of Ethics, Participation of Interest in Client Transactions and Personal Trading

At TFS we take great pride in our commitment to serving our client's needs and the integrity with which we conduct our business. We have developed our Code of Ethic's ("Code") as a means of memorializing our vision of appropriate and professional conduct in carrying out the business of providing investment advisory services.

When a client signs our advisory contract, we view that action as an expression of trust in TFS's ability to manage assets effectively and within the highest standards of professional conduct. It is our policy and duty to respect the trust that our clients place in us and to always keep their best interests ahead of our own. TFS believes that upholding this fiduciary duty is the cornerstone upon which fruitful relationships are forged and hence, successful businesses are built.

TFS will provide a copy of our Code to any client or prospective client upon request.

9. Brokerage Practices

TFS does not operate as Broker/Dealer.

## 10. Review of Accounts

TFS reviews client accounts at least quarterly. Clients may choose for the firm principal to review their accounts more frequently if desired. Two clients currently receive monthly reports, one receives a written/paper report and the other an electronic report. The information is a compilation of their entire portfolio, including a current month end balance of their holdings in each of their accounts with graphs and Morningstar reports.

11. Client Referrals and Other Compensation

TFS currently does not have any solicitor agent agreements; but welcomes referrals from existing clients. There is no monetary reward for those referrals.

## 12. Custody

TFS recommends Pershing, LLC ("Pershing") to serve as the Custodian for client's accounts. Each client signs an agreement with Pershing that sets forth the commission rates and transaction charges that will apply to the client's Pershing account. Factors that TFS considers in recommending certain broker-dealers or custodians to clients may include, to the best of TFS's knowledge, such entity's financial strength, reputation, execution, pricing, and service. In return for effecting securities transactions through certain broker-dealers/custodians, TFS or its representative may receive certain support services that may assist TFS in its investment decision-making process for all of TFS's clients.

In seeking best execution, the determinative factor is not always the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including factors such as execution capability, commission rates, and responsiveness. Accordingly, although TFS will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for the client's account transactions.

The client may direct TFS to use a particular broker-dealer (subject to TFS's right to decline and/or terminate the engagement) to execute some or all transactions for the client's account. IN such an event, the client will negotiate terms and arrangements for the account with that broker-dealer, and TFS will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by TFS. As a result, the client may pay higher commissions or other transactions for the account than would otherwise be the case.

### 13. Investment Discretion

#### Investment or Brokerage Discretion

Each client's agreement with TFS determines whether TFS's services are discretionary or non-discretionary. Under discretionary management agreements, TFS has the discretion to determine the securities to be bought and sold in the client's accounts, as well as the amounts and timing of the purchases and sales. Under non-discretionary agreements, TFS may make no purchases, sales, or reinvestments of any property in a client's account without the client's authorization, which may be made orally or in writing.

14. Voting Client Securities

Clients on the TFS agreement may select for TFS to act on their behalf on corporate voting rights.

**15. Financial Information**

TFS will comply with any regulatory authority any and all financial information needed.

17. Requirements for State-Registered Advisers

TFS is registered with the State of Texas Securities division. TFS is current in its filing and has no outstanding issues.