

Part 2B of Form ADV: *Brochure Supplement*

James Daniel Vaughan III
68 Passaic Street
Ridgewood, NJ 07450
201-444-1361

Vaughan & Co. Securities, Inc.
68 Passaic Street
Ridgewood, NJ 07450

03/19/2019

This brochure supplement provides information about James Daniel Vaughan III that supplements the Vaughan & Co. Securities, Inc. brochure. You should have received a copy of that brochure. Please contact Kathleen C. Kelly 201-444-1361 if you did not receive Vaughan & Co. Securities, Inc.'s brochure or if you have any questions about the contents of this supplement.

Additional information about James Daniel Vaughan III is available on the SEC's website at www.adviserinfo.sec.gov

Item 2 Educational Background and Business Experience

Full Legal Name: James Daniel Vaughan III **Born:** 1958

Education

- Georgetown University; BA, Economics; 1980
- Seton Hall University; JD, Law; 1983

Business Experience

- Vaughan & Co. Securities, Inc.; Chief Executive Officer, President; from 1986 to Present
- Fairleigh Dickinson University; Adjunct Professor Estate Planning Section CFP Certificate Program; from 2009 to Present

Designations

James Daniel Vaughan III has earned the following designation and is in good standing with the granting authority:

- Certified Financial Planner; CFP Board; 1988

The CERTIFIED FINANCIAL PLANNER, CFP and federally registered CFP (with flame design) marks (collectively, the "CFP marks") are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. ("CFP Board").

The CFP designation is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 62,000 individuals have obtained CFP certification in the United States.

To attain the right to use the CFP marks, an individual must satisfactorily fulfill the following requirements:

- Education - Complete an advanced college-level course of study addressing the financial planning subject areas that the CFP Board's studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor's Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment

planning, income tax planning, retirement planning, and estate planning;

- Examination - Pass the comprehensive CFP Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances;

- Experience - Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and

- Ethics - Agree to be bound by CFP Board's *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to use the CFP marks:

- Continuing Education - Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and

- Ethics - Renew an agreement to be bound by the *Standards of Professional Conduct*. The Standards prominently require that CFP professionals must provide financial planning services at a fiduciary standard of care. This means CFP professionals must provide financial planning services in the best interests of their clients.

CFP professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP certification.

Item 3 Disciplinary Information

James Daniel Vaughan III has been:

- found, in connection with an SRO proceeding, to have been involved in a violation of the SRO's rules and was fined more than \$2,500. The details have been listed in Vaughan & Co. Securities, Inc. Part 2A of Form ADV and can be found at the FINRA Investors website at www.finra.org/investors. Click on the FINRA Broker check to search for James D. Vaughan III.

Item 4 Other Business Activities

A. Investment-Related Activities

1. James Daniel Vaughan III is also engaged in the following investment-related activities:

Registered representative of a broker-dealer

James D. Vaughan III is separately licensed as a registered representative of Vaughan & Co. Securities, Inc. an affiliated FINRA member broker-dealer. While Vaughan & Co. Securities, Inc. and James D. Vaughan III endeavor at all times to put the interest of the clients first as part of their fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest, and may affect his judgment when making recommendations.

Pension consultant

Pension Administrators, Inc. is a retirement and estate planning firm and an insurance brokerage agency which is an affiliated firm. James D. Vaughan III holds various state licenses and is able to receive separate, yet customary commission compensation resulting from implementing product transactions on behalf of advisory clients. Clients however are not under any obligation to him when considering implementation of advisory recommendations. Pension Administrators, Inc. may also refer plan sponsors to him in need of advisory services and he may refer clients in need of third-party administrative services to Pension Administrators, Inc. However, there are no referral fees for these recommendations.

2. James Daniel Vaughan III receives commissions, bonuses or other compensation on the sale of securities or other investment products. However, he does not receive any additional compensation based on a particular product. As listed above he may receive separate, yet customary commission compensation for implementing insurance sales. James D. Vaughan III discloses to clients the existence of all material conflicts of interest, including the potential for the firm and our employees to earn compensation from advisory clients in addition to our firm's advisory fee.

B. Non Investment-Related Activities

James Daniel Vaughan III is not engaged in any other business or occupation that provides substantial compensation or involves a substantial amount of his time.

Item 5 Additional Compensation

James Daniel Vaughan III does not receive any economic benefit from a non-advisory client for the provision of advisory services.

Item 6 Supervision

Supervisor: Kathleen C. Kelly

Title: Compliance Officer

Phone Number: 201-444-1361

Our Compliance Officer supervises the firm's supervised persons in accordance with the firm's policy and procedures, including annual reviews of the compliance program's effectiveness. Our Compliance Officer reviews all written and electronic correspondence to clients and periodically reviews client files. In addition she monitors all activities including transmittal of funds or securities, customer change of addresses and change of client investment objectives.

Item 7 Requirements for State-Registered Advisers

A. Additional Disciplinary History

As noted in item 3 above, James Daniel Vaughan III has been found, in connection with an SRO proceeding, to have been involved in a violation of the SRO's rules and was fined more than \$2,500. The details have been listed in Vaughan & Co. Securities, Inc. Part 2A of Form ADV and can be found at the FINRA Investors website at www.finra.org/investors. Click on the FINRA Broker check to search for James D. Vaughan III.

James Daniel Vaughan III has no additional reportable disciplinary history.

B. Bankruptcy History

James Daniel Vaughan III has not been the subject of a bankruptcy petition.