

Uniform Application for Investment Adviser Registration

Part II - Page 1

OMB APPROVAL

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Name of Investment Adviser:

Financial Management Professionals, Inc.

Address: (Number and Street)

(City)

(State)

(Zip Code)

Area Code Telephone Number

6034 West Courtyard Dr., Ste. 380**Austin****TX****78730****512 329-5174**

**This part of Form ADV gives information about the investment adviser and its business for the use of clients.
The information has not been approved or verified by any governmental authority.**

Table of Contents

<u>Item Number</u>	<u>Item</u>	<u>Page</u>
1	Advisory Services and Fees	2
2	Types of Clients.	2
3	Types of Investments.	3
4	Methods of Analysis, Sources of Information and Investment Strategies.	3
5	Education and Business Standards.	4
6	Education and Business Background.	4
7	Other Business Activities.	4
8	Other Financial Industry Activities or Affiliations.	4
9	Participation or Interest in Client Transactions.	5
10	Conditions for Managing Accounts.	5
11	Review of Accounts.	5
12	Investment or Brokerage Discretion.	6
13	Additional Compensation.	6
14	Balance Sheet.	6
	Continuation Sheet.	Schedule F
	Balance Sheet, if required.	Schedule G

(Schedules A, B, C, D, and E are included with Part I of this Form, for the use of regulatory bodies, and are not distributed to clients.)

Potential Persons who are not to respond to the collection of information contained in this form are not
required to respond unless the form displays a currently valid OMB control number.

1. A. Advisory Services and Fees. (check the applicable boxes)

For each type of service provided, state the approximate % of total advisory billings from that service. (See instruction below.)

Applicant:

- | | |
|---|-------------|
| <input checked="" type="checkbox"/> (1) Provides investment supervisory services | 1 % |
| <input checked="" type="checkbox"/> (2) Manages investment advisory accounts not involving investment supervisory services | 95 % |
| <input type="checkbox"/> (3) Furnishes investment advice through consultations not included in either service described above | _____ % |
| <input type="checkbox"/> (4) Issues periodicals about securities by subscription | _____ % |
| <input type="checkbox"/> (5) Issues special reports about securities not included in any service described above | _____ % |
| <input type="checkbox"/> (6) Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which client may use to evaluate securities | _____ % |
| <input checked="" type="checkbox"/> (7) On more than an occasional basis, furnishes advice to clients on matters not involving securities | 4 % |
| <input type="checkbox"/> (8) Provides a timing service | _____ % |
| <input type="checkbox"/> (9) Furnishes advice about securities in any manner not described above | _____ % |

(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)

Yes No

B. Does applicant call any of the services it checked above financial planning or some similar term?

☒ ☐

C. Applicant offers investment advisory services for: (check all that apply)

- | | |
|--|--|
| <input checked="" type="checkbox"/> (1) A percentage of assets under management | <input type="checkbox"/> (4) Subscription fees |
| <input checked="" type="checkbox"/> (2) Hourly charges | <input type="checkbox"/> (5) Commissions |
| <input checked="" type="checkbox"/> (3) Fixed fees (not including subscription fees) | <input type="checkbox"/> (6) Other |

D. For each checked box in A above, describe on Schedule F:

- the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee
- applicant's basic fee schedule, how fees are charged and whether its fees are negotiable
- when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

2. Types of Clients -- Applicant generally provides investment advice to: (check those that apply)

- | | |
|---|--|
| <input checked="" type="checkbox"/> A. Individuals | <input checked="" type="checkbox"/> E. Trusts, estates, or charitable organizations |
| <input checked="" type="checkbox"/> B. Banks or thrift institutions | <input checked="" type="checkbox"/> F. Corporations or business entities other than those listed above |
| <input type="checkbox"/> C. Investment companies | <input checked="" type="checkbox"/> G. Other (describe on Schedule F) |
| <input checked="" type="checkbox"/> D. Pension and profit sharing plans | |

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

3. Types of Investments Applicant offers advice on the following: (check those that apply)

- | | |
|---|---|
| <input type="checkbox"/> A. Equity securities | <input type="checkbox"/> H. United States governmental securities |
| <input type="checkbox"/> (1) exchange-listed securities | |
| <input type="checkbox"/> (2) securities traded over-the-counter | <input type="checkbox"/> I. Options contracts on: |
| <input type="checkbox"/> (3) foreign issuers | <input type="checkbox"/> (1) securities |
| | <input type="checkbox"/> (2) commodities |
| <input type="checkbox"/> B. Warrants | |
| <input type="checkbox"/> C. Corporate debt securities | <input type="checkbox"/> J. Futures contracts on: |
| (other than commercial paper) | <input type="checkbox"/> (1) tangibles |
| <input type="checkbox"/> D. Commercial paper | <input type="checkbox"/> (2) intangibles |
| <input type="checkbox"/> E. Certificates of deposit | |
| <input type="checkbox"/> F. Municipal securities | <input type="checkbox"/> K. Interests in partnerships investing in: |
| | <input type="checkbox"/> (1) real estate |
| <input type="checkbox"/> G. Investment company securities: | <input type="checkbox"/> (2) oil and gas interests |
| <input type="checkbox"/> (1) variable life insurance | <input type="checkbox"/> (3) other (explain on Schedule F) |
| <input type="checkbox"/> (2) variable annuities | |
| <input type="checkbox"/> (3) mutual fund shares | <input type="checkbox"/> L. Other (explain on Schedule F) |

4. Methods of Analysis, Sources of Information, and Investment Strategies.

A. Applicant's security analysis methods include: (check those that apply)

- | | |
|--|--|
| <input type="checkbox"/> (1) Charting | <input type="checkbox"/> (4) Cyclical |
| <input type="checkbox"/> (2) Fundamental | <input type="checkbox"/> (5) Other (explain on Schedule F) |
| <input type="checkbox"/> (3) Technical | |

B. The main sources of information applicant uses include: (check those that apply)

- | | |
|--|--|
| <input type="checkbox"/> (1) Financial newspapers and magazines | <input type="checkbox"/> (5) Timing services |
| <input type="checkbox"/> (2) Inspections of corporate activities | <input type="checkbox"/> (6) Annual reports, prospectuses, filings with the Securities and Exchange Commission |
| <input type="checkbox"/> (3) Research materials prepared by others | <input type="checkbox"/> (7) Company press releases |
| <input type="checkbox"/> (4) Corporate rating services | <input type="checkbox"/> (8) Other (explain on Schedule F) |

C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)

- | | |
|--|--|
| <input type="checkbox"/> (1) Long term purchases (securities held at least a year) | <input type="checkbox"/> (5) Margin transactions |
| <input type="checkbox"/> (2) Short term purchases (securities sold within a year) | <input type="checkbox"/> (6) Option writing, including covered options, uncovered options, or spreading strategies |
| <input type="checkbox"/> (3) Trading (securities sold within 30 days) | <input type="checkbox"/> (7) Other (explain on Schedule F) |
| <input type="checkbox"/> (4) Short sales | |

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

5. Education and Business Standards.

Yes No

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients?.....

☒ ☐

(If yes, describe these standards on Schedule F.)

6. Education and Business Background.

For:

- each member of the investment committee or group that determines general investment advice to be given to clients, or
- if the applicant has no investment committee or group, each individual who determines general investment advice given to clients (if more than five, respond only for their supervisors)
- each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

- | | |
|-----------------|--|
| • name | • formal education after high school |
| • year of birth | • business background for the preceding five years |

7. Other Business Activities. (check those that apply)

- ☒ A. Applicant is actively engaged in a business other than giving investment advice.
- ☒ B. Applicant sells products or services other than investment advice to clients.
- ☒ C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.

(For each checked box describe the other activities, including the time spent on them, on Schedule F.)

8. Other Financial Industry Activities or Affiliations. (check those that apply)

- ☒ A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- ☒ B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:
- | | |
|--|--|
| <input checked="" type="radio"/> (1) broker-dealer | <input checked="" type="radio"/> (7) accounting firm |
| <input checked="" type="radio"/> (2) investment company | <input checked="" type="radio"/> (8) law firm |
| <input checked="" type="radio"/> (3) other investment adviser | <input checked="" type="radio"/> (9) insurance company or agency |
| <input checked="" type="radio"/> (4) financial planning firm | <input checked="" type="radio"/> (10) pension consultant |
| <input checked="" type="radio"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant | <input checked="" type="radio"/> (11) real estate broker or dealer |
| <input checked="" type="radio"/> (6) banking or thrift institution | <input checked="" type="radio"/> (12) entity that creates or packages limited partnerships |

(For each checked box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)

Yes No

- D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest?...

☒ ☐

(If yes, describe on Schedule F the partnerships and what they invest in.)

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

9. Participation of Interest in Client Transactions.

Applicant or a related person: (check those that apply)

- ☒ A. As principal, buys securities for itself from or sells securities it owns to any client.
- ☒ B. As broker or agent effects securities transactions for compensation for any client.
- ☒ C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.
- ☒ D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- ☒ E. Buys or sells for itself securities that it also recommends to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

Describe, on Schedule F, your code of ethics, and state that you will provide a copy of your code of ethics to any client or prospective client upon request.

10. Conditions for Managing Accounts. Does the applicant provide investment supervisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services *and* impose a minimum dollar value of assets or other conditions for starting or maintaining an account?

Yes No

☒ ☐

(If yes, describe on Schedule F.)

11. Review of Accounts. If applicant provides investment supervisory services, manages investment advisory accounts, or holds itself out as providing financial planning or some similarly termed services:

- A. Describe below the reviews and reviewers of the accounts. **For reviews**, include their frequency, different levels, and triggers factors. **For reviewers**, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.

Please see Item 11.A. of Schedule F

- B. Describe below the nature and frequency of regular reports to clients on their accounts.
Please see Item 11.B. of Schedule F

12. Investment or Brokerage Discretion.

A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:

- | | | |
|--|-----------------------|-----------------------|
| (1) securities to be bought or sold? | Yes | No |
| | <input type="radio"/> | <input type="radio"/> |
| (2) amount of the securities to be bought or sold? | Yes | No |
| | <input type="radio"/> | <input type="radio"/> |
| (3) broker or dealer to be used? | Yes | No |
| | <input type="radio"/> | <input type="radio"/> |
| (4) commission rates paid? | Yes | No |
| | <input type="radio"/> | <input type="radio"/> |

B. Does applicant or a related person suggest brokers to clients? ☐ Yes ☐ No

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4) or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

- the products, research and services
- whether clients may pay commission higher than those obtainable from other brokers in return for those products and services
- whether research is used to service all of applicant's accounts or just those accounts paying for it; and
- any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for products and research services received.

13. Additional Compensation.

Does the applicant or a related person have any arrangements, oral or in writing, where it:

- | | | |
|---|-----------------------|-----------------------|
| A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients? | Yes | No |
| | <input type="radio"/> | <input type="radio"/> |
| B. directly or indirectly compensates any person for client referrals? | Yes | No |
| | <input type="radio"/> | <input type="radio"/> |

(For each yes, describe the arrangements on Schedule F.)

14. Balance Sheet. Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

- has custody of client funds or securities (unless applicant is registered or registering only with the Securities and Exchange Commission); or
 - requires prepayment of more than \$500 in fees per client and 6 or more months in advance
- Has applicant provided a Schedule G balance sheet? ☐ Yes ☐ No

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of
Form ADV
Continuation Sheet for Form ADV
Part II**

Applicant: Financial Management Professionals, Inc.	SEC File Number: 801- 30367	Date: 11/25/2009
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Form ADV: Financial Management Professionals, Inc.	IRS Empl. Ident. No.:
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Item of Form (identify)	Answer								
1 A (1) & 2 G	<p><u>PRIVATE PLACEMENT MANAGEMENT SERVICES</u></p> <p>The Adviser serves as investment manager to FMP Real Estate One, L.P., a Delaware limited partnership formed in 2009 (hereinafter "the Fund"). FMP Real Estate GP, L.L.C., a Delaware limited liability company and an entity wholly-owned by the Adviser, is the General Partner to the Fund. Interests in the Fund are offered in reliance upon various exemptions available under the securities laws for transactions in securities not involving a public offering. The Adviser manages the Fund on a discretionary basis in accordance with the terms and conditions of the Fund's Private Placement Memorandum and organizational documents.</p> <p>The Fund is a closed-end fund, formed to pursue investments in the real estate sector through a commitment to invest capital of the Fund into one or more investment vehicles (hereinafter, "Venture Fund Partnerships"). Any capital not invested in Venture Fund Partnerships may be invested in all types of securities and other financial instruments, including, but not limited to, United States government and agency obligations, commercial paper, interest-bearing bank deposits and certificates of deposit, money market funds, mutual funds, exchange traded funds, and other fixed income securities.</p> <p>The Fund requires an initial minimum investment of \$50,000 from investors who are clients of the Adviser and \$100,000 from all other investors. This minimum investment requirement may be lowered in the sole discretion of the General Partner.</p> <p>Prospective investors in the Fund should be aware of additional risks, restrictions on withdrawals and redemptions and other important information associated with investment in the Fund. This information is outlined in the Fund's Private Placement Memorandum and subscription documents. Prospective investors should refer to the Private Placement Memorandum and subscription documents for information regarding these important additional considerations.</p> <p>MANAGEMENT FEES: The Fund's management fee is calculated based on the percentage of assets under Adviser's management in accordance with the fee schedule below. Additionally, a base fee ranging from \$1,000 to \$5,000 is charged annually. Prospective investors in the Fund should refer to the Private Placement Memorandum for additional information regarding fees and restrictions.</p> <table> <tr> <td><u>Assets Under Management (\$)</u></td><td><u>Annual Fee (%)</u></td></tr> <tr> <td>\$1 to \$500,000</td><td>1.00%</td></tr> <tr> <td>Next \$250,000</td><td>0.85%</td></tr> <tr> <td>Next \$250,000</td><td>0.75%</td></tr> </table>	<u>Assets Under Management (\$)</u>	<u>Annual Fee (%)</u>	\$1 to \$500,000	1.00%	Next \$250,000	0.85%	Next \$250,000	0.75%
<u>Assets Under Management (\$)</u>	<u>Annual Fee (%)</u>								
\$1 to \$500,000	1.00%								
Next \$250,000	0.85%								
Next \$250,000	0.75%								

Complete amended pages in full, circle amended items and file with execution page (page 1). PAGE 1

**Schedule F of
Form ADV
Continuation Sheet for Form ADV
Part II**

Applicant: Financial Management Professionals, Inc.	SEC File Number: 801- 30367	Date: 11/25/2009
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Form ADV: Financial Management Professionals, Inc.	IRS Empl. Ident. No.:
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Item of Form (identify)	Answer
1 A (2)	Next \$500,000 0.65%
	Next \$500,000 0.55%
	Next \$3,000,000 0.50%
	Next \$10,000,000 0.40%
	Above \$15,000,000 Negotiable
	Advisory fees are directly debited by the Adviser quarterly, in advance. No performance-based fees are charged by the Adviser.
	<u>PORTFOLIO MANAGEMENT SERVICES</u>
	Adviser provides portfolio management services to clients using model asset allocation portfolios. Each model portfolio is designed to meet a particular investment goal. Adviser will manage these advisory accounts on a discretionary basis only. Adviser offers this service to individuals, pension and profit sharing plans, trusts, estates or charitable organizations and corporations or other business entities.
	Through personal discussions with the client in which the client's goals and objectives are established, Adviser will determine which model portfolio is suitable to the client's circumstances. Once the appropriate portfolio has been determined, the portfolio will be managed based on the portfolio's goal, rather than on each client's individual needs. Clients, nevertheless, will have the opportunity to place reasonable restrictions on the types of investments to be held in the client's account and account supervision will be guided by the stated objectives of the client (i.e., maximum capital appreciation, growth, income, or growth and income). Clients will retain individual ownership of all securities.
	In order to ensure that Adviser's initial determination of an appropriate portfolio continues to be suitable and that the client's account continues to be managed in a manner suitable to the client's financial circumstances, Adviser will maintain client suitability information in the client's file. On a quarterly basis, Adviser will notify Portfolio Management Services clients in writing to request updated information regarding the client's financial situation and investment objectives and whether the client wishes to impose or modify existing investment restrictions. In addition, Adviser will contact clients at least annually to determine whether there have been any changes in the client's financial situation and whether the client wishes to impose investment restrictions or modify existing restrictions.
	MANAGEMENT FEES: Fees are negotiated in advance and then fixed by contract for a period of one year. The fees as stated in the contract are the sum of a percentage of assets and a flat fee. The flat fee amount ranges from \$0 - to - \$2,500.00 depending upon frequency of meetings, the level of the adviser's review responsibilities, and other factors. The percentage of asset range is between .15% to 2%. The percentage fee varies depending on the amount of assets managed, type of account (pooled, daily

Complete amended pages in full, circle amended items and file with execution page (page 1). PAGE 2

**Schedule F of
Form ADV**

**Continuation Sheet for Form ADV
Part II**

Applicant:	SEC File Number:	Date:
Financial Management Professionals, Inc.	801- 30367	11/25/2009

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Form ADV: Financial Management Professionals, Inc.	IRS Empl. Ident. No.:
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Item of Form (identify)	Answer
1 A (7)	<p>valued, 403-b, etc.) the level of the adviser's review responsibilities, and the asset mix desired. Group or family fee schedules providing reduced fees are used for clients where they can be applied. Fees are usually paid quarterly in advance. The adviser may charge a \$250.00 fee for major liquidation or account cancellation. The client or the adviser may terminate at any time and a refund will be made for the value of services paid but not yet rendered.</p> <p>ADDITIONAL INFORMATION:</p> <p>Risk Disclosure: The adviser's investment strategies are designed to evaluate most areas of investment risk by combining his advisory services with those of no-load mutual fund managers. The majority of investment products the adviser recommends are no-load mutual funds that pay no commissions. No investment strategy can guarantee a client will outperform the market or make money but it is important to evaluate risk. The advisers service is intended to evaluate the clients exposure to market risk, business cycle risk, interest rate risk, and financial risk. By using mutual funds the client receives the following additional services:</p> <ol style="list-style-type: none">1. Professional investment management directed to reduce the business and financial risk associated with specific stock or bond securities,2. Diversification of securities,3. No charge for purchase or sale of the mutual fund thus reducing transaction cost. <p>No-load mutual funds, like all mutual funds, are compensated for their services by the deduction of a daily management fee. This fee is in addition to the adviser's fee described above.</p> <p>Proxy Disclosure: As a matter of firm policy and practice, Adviser does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. General Partner of the Fund expressly retains the authority and responsibility for voting Fund proxies. However, Adviser, at its own discretion, may provide advice to clients regarding the clients' voting of proxies.</p> <p>The adviser's managed investment accounts may include a tactical asset allocation service. The tactical asset allocation service provided is to enable clients to adjust their exposure to equity and fixed income investments when the tactical asset allocation service indicates such adjustments should be made. The tactical asset allocation service is based upon market momentum models which operate on market technical information. The tactical asset allocation service model thus indicates when investment exposure should be adjusted by switching from longer-term investments to shorter-term investments such as money market funds. If clients execute a discretionary trading authority agreement, these switches can be performed automatically by the adviser. The adviser's fee for this service is included as part of the investment management fee described above. The adviser is also engaged in the business of personal financial</p>

Complete amended pages in full, circle amended items and file with execution page (page 1). PAGE 3

**Schedule F of
Form ADV
Continuation Sheet for Form ADV
Part II**

Applicant: Financial Management Professionals, Inc.	SEC File Number: 801- 30367	Date: 11/25/2009
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Form ADV: Financial Management Professionals, Inc.	IRS Empl. Ident. No.:
--	-----------------------

Item of Form (identify)	Answer
	<p>planning, which encompasses more than investment advice.</p> <p>Typically, clients purchasing this service will receive a written report, providing the client with a detailed financial plan designed to achieve his or her stated financial goals and objectives.</p> <p>Most often, the financial plan will address some of the following areas of concern:</p> <ul style="list-style-type: none"> - PERSONAL: Family records, budgeting, personal liability, estate information and financial goals. - EDUCATION: Education IRAs, financial aid, state savings plans grants and general assistance in preparing to meet dependent's continuing educational needs through development of an education plan. - TAX & CASH FLOW: Income tax and spending analysis and planning for past, current and future years. Adviser will illustrate the impact of various investments on a client's current income tax and future tax liability. - DEATH & DISABILITY: Cash needs at death, income needs of surviving dependents, estate planning and disability income analysis. - RETIREMENT: Analysis of current strategies and investment plans to help the client achieve his or her retirement goals. - INVESTMENTS: Analysis of investment alternatives and their effect on a client's portfolio. <p>Adviser gathers required information through in-depth personal interviews. Information gathered includes a client's current financial status, future goals and attitudes towards risk. Related documents supplied by the client are carefully reviewed, including a questionnaire completed by the client, and a written report is prepared. Should a client choose to implement the recommendations contained in the plan, Adviser suggests the client work closely with his/her attorney, accountant, insurance agent, and/or stockbroker. Implementation of financial plan recommendations is entirely at the client's discretion.</p> <p>Financial Planning recommendations are not limited to any specific product or service offered by a broker dealer or insurance company. All recommendations are of a generic nature.</p>

Complete amended pages in full, circle amended items and file with execution page (page 1). PAGE 4

**Schedule F of
Form ADV**

**Continuation Sheet for Form ADV
Part II**

Applicant:	SEC File Number:	Date:
Financial Management Professionals, Inc.	801- 30367	11/25/2009

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Form ADV: Financial Management Professionals, Inc.		IRS Empl. Ident. No.:
Item of Form (identify)	Answer	
	<p>FINANCIAL PLANNING FEES:</p> <p>Financial planning fees will be typically charged as a fixed fee, generally ranging from \$500 to \$5,000.</p> <p>A retainer may be requested upon completion of Adviser's fact-finding session with the client, however, advance payment will never exceed \$500 for work that will not be completed within six months. The balance will be due upon completion of the plan or consulting service.</p> <p>Adviser's financial planning fee(s) will be determined based on the nature of the services being provided and the complexity of each client's circumstances. All fees are agreed upon prior to entering into a contract with any client.</p> <p>The length of time it will take to provide a financial plan will depend on each client's personal situation. Typically, however, the financial plan will be presented to the client within 90 days of the contract date, provided that all information needed to prepare the financial plan has been promptly provided by the client.</p>	
3 K (3) & 3 L	As disclosed at Item 1.D. of this Schedule F, as appropriate, the Fund's assets are invested primarily among a select group of Venture Fund Partnerships in the real estate sector.	
4 C (7)	By its nature financial planning looks at the long term. After making sure that a client's short term needs, emergency funds, and insurance needs are covered, we design investment strategies to help achieve his or her financial goals.	
5	Financial Management Professionals, Inc. requires a college degree as the minimum standard for its professional staff.	
6	<p>The education and business background for the following individuals: Harry Milton Hixson; DOB 1950; Baylor University, Waco, TX-BBA Accounting; Financial Management Professionals, Inc. 1987 to Present.</p> <p>John Carroll Hixson, Jr.; DOB 1961; Baylor University, Waco, TX-BBA Marketing & Business Management, Georgia State University, Atlanta, GA-Masters Insurance & Financial Planning; Financial Management Professionals, Inc. 1993 to Present.</p> <p>Kevin Edmond Hixson; DOB 1967; Baylor University, Waco, TX-BBA Financial Planning; Financial Management Professionals, Inc. 1989 to Present</p>	

Complete amended pages in full, circle amended items and file with execution page (page 1). PAGE 5

**Schedule F of
Form ADV
Continuation Sheet for Form ADV
Part II**

Applicant: Financial Management Professionals, Inc.	SEC File Number: 801- 30367	Date: 11/25/2009
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Form ADV: Financial Management Professionals, Inc.		IRS Empl. Ident. No.:
Item of Form (identify)	Answer	
	<p>Paul Edward Hixson; DOB 1963; Baylor University, Waco, TX-BBA Finance & Insurance; McNeese State University, Lake Charles, LA; Financial Management Professionals, Inc. 1996 to Present.</p> <p>Adam Palmer Todd; DOB 1974; Baylor University, Waco, TX-BBA Financial Planning; Financial Management Professionals, Inc. 1997 to Present</p> <p>David Harmon Theobald, Jr.; DOB 1949; Lamar University, Beaumont, TX-BBA Accounting; Benefits Management Group, Beaumont, TX 1995 to Present</p> <p>Marc Lester Hixson; DOB 1975; Baylor University, Waco, TX-BBA Management Information Systems; Financial Management Professionals, Inc. 1998 to Present.</p> <p>Casey Clay Hall; DOB 1983; Baylor University, Waco, TX-BBA Financial Services & Planning; Financial Management Professionals, Inc. 2006 to Present.</p>	
8 (C) 10	<p>Financial Management Professionals is affiliated with David Theobald, CPA. David is an advisor for Financial Management Professionals as well as an independent pension consultant. As an advisor he is compensated by Financial Management Professionals. When he serves as an advisor his services are billed by Financial Management Professionals based on its normal fee schedules. As an independent pension consultant his firm bills clients directly.</p>	
8 C (12), 8 D & 9 D	<p>As disclosed at Item 1.D. of this Schedule F, Adviser serves as the investment manager to the Fund. FMP Real Estate GP, LLC, an entity wholly-owned by Adviser, is the General Partner to the Fund. As appropriate, clients may be solicited to invest in the Fund. The General Partner, for separate and typical compensation or in lieu of compensation, may engage in customary activities of a General Partner such as seeking qualified and desirable investors to participate in the Fund.</p> <p>The General Partner and/or related persons of Adviser may have invested or may invest a portion of their personal net worth in the Fund.</p> <p>Related persons of Adviser may spend as much as 50% of their time on these non-advisory activities.</p>	
9 E	<p>Code of Ethics Disclosure: Financial Management Professionals, Inc. representatives and all employees maintain a strict Code of Ethics based upon the principal of our fiduciary duty to our clients to conduct affairs, including personal securities transactions, in such a manner as to avoid (i) serving our own personal interests ahead of our clients, (ii) taking inappropriate advantage of our position with the firm and (iii)</p>	

Complete amended pages in full, circle amended items and file with execution page (page 1). PAGE 6

**Schedule F of
Form ADV**

**Continuation Sheet for Form ADV
Part II**

Applicant:	SEC File Number:	Date:
Financial Management Professionals, Inc.	801- 30367	11/25/2009

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Form ADV: Financial Management Professionals, Inc.	IRS Empl. Ident. No.:
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Item of Form (identify)	Answer
10	<p>any actual or potential conflicts of interest or any abuse of our position of trust and responsibility. Financial Management Professionals, Inc. has an affirmative duty of utmost good faith to act solely in the best interest of our clients. Financial Management Professionals will provide a copy of our Code of Ethics to any client or prospective client upon request.</p> <p>Often the risk levels and goals of our accounts will correspond with those of our client's and we will have the same investments as our clients. We consider the total of our accounts and our investors accounts to be too small to noticeably affect the markets.</p> <p>As disclosed at Item 1.D. of this Schedule F, the Fund requires an initial minimum investment of \$50,000 from investors who are clients of the Adviser and \$100,000 from all other investors. This minimum investment requirement may be waived in the sole discretion of the General Partner.</p> <p>Interests in the Fund will generally be sold only to qualified investors who are "accredited investor" as that term is defined in Rule 501(a) of the General Rules and Regulations under the Securities Act of 1933, as amended (the "Securities Act"), a "qualified eligible person" as that term is defined in Commodity Futures Trading Commission ("CFTC") Regulation 4.7 and a "qualified purchaser" as that term is defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended (the "Investment Company Act").</p> <p>Interests in the Fund are intended for experienced and sophisticated investors. Prospective investors in the Fund should refer to the Private Placement Memorandum and subscription agreement of the Fund for detailed information regarding restrictions applicable to investment in the Fund.</p>
11 A	<p>While the underlying securities within Portfolio Management Services and Private Placement Management Services accounts are continuously monitored, these accounts are formally reviewed at least quarterly, but mostly semi-annually or annually, based on the agreement with each client. Accounts are reviewed in the context of the investment objectives and guidelines of each model portfolio as well as any investment restrictions provided by the client. Fund positions are reviewed in the overall context of the Fund's investment objectives and guidelines as set forth in the Private Placement Memorandum.</p> <p>More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment. Reviews of past performance are done by either Harry Milton Hixson, Kevin Edmond Hixson, John Carroll Hixson Jr., Paul Edward Hixson, Adam Palmer Todd, Marc Lester Hixson, or David Harmon Theobald, Jr. The review is focused on the performance of the</p>

Complete amended pages in full, circle amended items and file with execution page (page 1). PAGE 7

**Schedule F of
Form ADV
Continuation Sheet for Form ADV
Part II**

Applicant: Financial Management Professionals, Inc.	SEC File Number: 801- 30367	Date: 11/25/2009
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

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11.B.	<p>account and does not involve a comprehensive review of a client's financial condition or plan. If a client wants to consider changing the style of management or risk level of his account, the client may be provided a risk assessment questionnaire and is told to consider completing it at a later time. If the client returns the questionnaire to the Adviser, then the Adviser reviews the questionnaire and determines if a change should be made in the handling of the account.</p> <p>Clients are provided reports on a quarterly frequency. The reports provided are (1) a Current Value Report showing the value of each security held in the account, (2) a Change in the Value of the Account during the current calendar year, (3) an internal rate of return report, and (4) a listing of any deposits or withdrawals from the account by the client.</p>
12 A (1), (2)	<p>The General Partner furnishes to its limited partners, as soon as practicable after the end of each taxable year (or as otherwise required by law), annual reports containing financial statements audited by the Fund's independent auditors as well as such tax information as is necessary for each Partner to complete federal and state income tax or information returns, along with any other tax information required by law. The Fund may also furnish unaudited quarterly reports reviewing the Fund's performance. The General Partner selects the Fund's independent auditors in its sole discretion.</p> <p>Adviser may determine the specific security and amount to be bought or sold if the client has executed a discretionary trading authority agreement with the adviser. Some of the factors the adviser bases these decisions on are the responses the client has made to a risk questionnaire, market and economic conditions, and the size of the client's portfolio.</p> <p>Adviser is granted the discretionary authority in the relevant organizational and offering documents of the Fund to determine which securities and the amounts of securities that are to be bought or sold for the Fund.</p>
12B and 13A	<p>As Adviser does not have the discretionary authority to determine the broker dealer to be used or the commission rates to be paid, clients must direct Adviser as to the broker dealer to be used. In directing the use of a particular broker or dealer, it should be understood that Adviser will not have authority to negotiate commissions among various brokers or obtain volume discounts, and best execution may not be achieved. In addition, a disparity in commission charges may exist between the commissions charged to the client and those charged to other clients.</p> <p>For clients in need of brokerage or custodial services, and depending on client circumstances and needs, Adviser may recommend the use of one of several custodians and/or broker dealers (including, but not limited Charles Schwab and Co., Inc. ("Schwab"), Jefferson National Securities Corporation ("Jefferson National"), and</p>

Complete amended pages in full, circle amended items and file with execution page (page 1). PAGE 8

**Schedule F of
Form ADV**

**Continuation Sheet for Form ADV
Part II**

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Financial Management Professionals, Inc.	801- 30367	11/25/2009

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1. Full name of applicant exactly as stated in Item 1A of Form ADV: Financial Management Professionals, Inc.		IRS Empl. Ident. No.:
Item of Form (identify)	Answer	
12B and 13A	<p>LincolnTrust), provided that such recommendation is consistent with Adviser's fiduciary duty to the client. Adviser's clients must evaluate these brokers before opening an account. The factors considered by Adviser when making this recommendation are the broker's ability to provide professional services, Adviser's experience with the broker, the broker's reputation, and the broker's quality of execution services and costs of such services, among other factors.</p> <p>Adviser is independently owned and operated and not affiliated with the custodians and/or brokers it recommends. Which custodian and/or broker is recommended depends on if the client is an individual or an institutional retirement plan. Schwab provides Adviser with access to their institutional trading and custody services, which are typically not available to retail investors. LincolnTrust charges its fees directly to institutional retirement plans. Schwab offers these services to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor's assets are maintained at Schwab Institutional. For Adviser's client accounts maintained with Schwab, Schwab generally does not charge separately for custody but is compensated by account holders through commissions or other transaction- related fees for securities trades that are executed through Schwab or that settle into Schwab accounts. These custodian's provide services which include trading, custody, research (Schwab only) and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.</p> <p>LincolnTrust and Schwab also make available to FMP other products and services that benefit Adviser but may not benefit its client's accounts. Some of these other products or services assist Adviser in managing and administering client's accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements); facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts); provide research (Schwab only), pricing information and other market data; facilitate payment of Adviser fees from its client's accounts; and assist with back-office functions, recordkeeping and client reporting. Many of these services generally may be used to service all or a substantial number of Adviser accounts, including accounts not maintained at either of these custodians. These custodians also make available to Adviser other services intended to help Adviser manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance and marketing. In addition the custodians may make available, arrange and /or pay for these types of services or pay all or a part of the fees of a third party providing these services to Adviser.</p> <p>Due to the nature of the Fund's investment model, Adviser may not recommend the use of retail broker dealers to invest in Venture Fund Partnerships or other private placement vehicles. Depending on the specific circumstances surrounding an</p>	

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Item of Form (identify)	Answer
13 A	<p>investment opportunity, Adviser may either subscribe to a private placement fund through direct solicitation of its general partner or by responding to a solicitation by a finder. Typically, due to the limited nature of the investment opportunities sought, multiple subscription sources or multiple finders will not be available, and Adviser may not be able to negotiate finder fees, if any.</p> <p>Adviser may have limited brokerage discretion in rare situations where it purchases a large amount of Exchange Traded Funds on a trade-away basis or directly from the issuer of such a security in order to obtain a better price for the client. Schwab may charge client accounts trade-away fees in such situations. In cases where Adviser has such limited brokerage discretion, Adviser will endeavor to select those brokers or dealers which will provide the best services at the lowest price and commission rates possible (if commissions are applicable). The reasonableness of commissions is based on the broker's ability to provide professional services, competitive commission rates, research and other services which will help Adviser in providing investment management services to clients.</p> <p>Adviser does not intend to enter into any soft-dollar arrangements.</p> <p>While as a fiduciary, Adviser endeavors to act in its clients' best interest, Adviser may recommend that clients maintain their assets with these custodians and/or brokers in part on the benefit to Adviser of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided. Thus these services may create a potential conflict of interest and result in Adviser recommending the use of these custodians even though lower commission may be charged by a custodian or broker who does not offer similar services.</p> <p>Harry Milton Hixson in years prior to 1994 had a life insurance license and served as an agent or broker with several life insurance companies. Starting in 1994, he discontinued his life insurance license and no longer serves as an agent or broker for the sale of life insurance products. However, as the result of sales products in prior years, he continues to receive renewal year commissions when a policyholder pays his premium. This commission income is compensation for services he provides to the remaining policyholders. Adviser does not consider these commissions to be material to its business since they represent less than 1% of the total annual revenue.</p>

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