

Firm Brochure

(Part 2A of Form ADV)

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This brochure provides information about the qualifications and business practices of Liberty Partners Capital Management, LLC. If you have any questions about the contents of this brochure, please contact us at: 307-529-0957, or by email at: kbillingsley@libertypfs.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.

Additional information about Liberty Partners Capital Management, LLC is available on the SEC's website at www.adviserinfo.sec.gov

02/09/2012

Material Changes

Annual Update

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure. This is the first update to our initial New (plain language) ADV and changes are significant since the last update to our old ADV part 2, which occurred in 2005.

Full Brochure Available

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: 307-529-0957 or by email at: kbillingsley@libertypfs.com.

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Advisory Business

Firm Description

Liberty Partners Capital Management, LLC, ("LPCM") was founded in 2004.

LPCM offers investment advice, investment management and financial planning for a monthly fee, quarterly fee or hourly fee. In some cases, LPCM may be paid cash, or receive some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients.

Investment advice is an integral part of financial planning. In addition, LPCM advises clients regarding cash flow, college planning, retirement planning, tax planning and estate planning.

Investment advice is provided, with the client making the final decision on investment selection. LPCM does not act as a custodian of client assets. In all cases, clients maintain control of their assets. Clients may give LPCM written authority to place trades for clients under a limited power of attorney.

A written evaluation of each client's initial situation is provided to the client, often in the form of a net worth statement. Periodic reviews are also communicated to provide reminders of the specific courses of action that need to be taken. More frequent reviews may occur but are not necessarily communicated to the client unless immediate changes are recommended.

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) are engaged directly by the client on an as-needed basis. Conflicts of interest will be disclosed to the client in the unlikely event they should occur.

The initial meeting, which may be by telephone, is free of charge and is considered an exploratory interview to determine the extent to which financial planning and investment management may be beneficial to the client.

Principal Owners

LPCM is a wholly owned subsidiary of Liberty Partners Holdings, LLC, a Wyoming Limited Liability Company (LLC). Ken Billingsley is a 45.25% owner/member of Liberty Partners Holdings, LLC. Jeffery Fanning is also a 45.25% owner/member of Liberty Partners Holdings, LLC.

Types of Advisory Services

LPCM provides investment supervisory services, also known as asset management services; manages investment advisory accounts ; furnishes investment advice through consultations; and issues charts, graphs and 3rd party research reports which clients may use to evaluate securities.

On an occasional basis, LPCM furnishes advice to clients on matters not involving securities, such as financial planning matters, taxation issues, and trust services that often include estate planning.

LPCM provides consultation and advisory services for equity securities including exchange listed securities, over the counter securities and foreign issued equity securities. LPCM also provides consultation and advisory services for variable annuities (insurance contracts) and mutual funds.

As of 02/09/12, LPCM manages approximately \$33,800,000 in assets for approximately 120 clients. Approximately \$4,500,000 is managed on a discretionary basis, and \$29,300,000 is managed on a non-discretionary basis.

Tailored Relationships

The goals and objectives for each client are documented in our client relationship management system. Investment policy statements are created that reflect the stated goals and objective. Clients may impose restrictions on investing in certain securities or types of securities.

Agreements may not be assigned without client consent.

Types of Agreements

The following agreements define the typical client relationships.

Financial Planning Agreement

A financial plan is designed to help the client with all aspects of financial planning without ongoing investment management after the financial plan is completed.

The financial plan may include, but is not limited to: a net worth statement; a cash flow statement; a review of investment accounts, including reviewing asset allocation and providing repositioning recommendations; strategic tax planning; a review of retirement accounts and plans including recommendations; a review of insurance policies and recommendations for changes, if necessary; one or more retirement scenarios; estate planning review and recommendations; and education planning with funding recommendations.

Detailed investment advice and specific recommendations are provided as part of a financial plan. Implementation of the recommendations is at the discretion of the client.

The fee for a financial plan is predicated upon the facts known at the start of the engagement. The minimum fee is \$1 (*or the fee range is \$1 to \$1500*) and is negotiable. Since financial planning is a discovery process, situations occur wherein the client is unaware of certain financial exposures or predicaments.

In the event that the client's situation is substantially different than disclosed at the initial meeting, a revised fee will be provided for mutual agreement.

The client must approve the change of scope in advance of the additional work being performed when a fee increase is necessary.

After delivery of a financial plan, future face-to-face meetings may be scheduled as necessary for up to one month. Follow-on implementation work is billed separately at the rate of \$150 per hour.

Advisory Service Agreement

Most clients choose to have LPCM manage their assets in order to obtain ongoing in-depth advice and life planning. All aspects of the client's financial affairs are reviewed, including those of their children. Realistic and measurable goals are set and objectives to reach those goals are defined. As goals and objectives change over time, suggestions are made and implemented on an ongoing basis.

The scope of work and fee for an Advisory Service Agreement is provided to the client in writing prior to the start of the relationship. An Advisory Service Agreement includes: cash flow management; insurance review; investment management (including performance reporting); education planning; retirement planning; estate planning; and tax preparation, as well as the implementation of recommendations within each area.

The annual Advisory Service Agreement fee is based on a percentage of the investable assets according to the following schedule and is negotiable

up to 3% on accounts up to \$250,000*

up to 2.5% on accounts over \$250,000 and up to \$1,000,000 and

up to 2% on accounts above \$1,000,000.

***Fees above 2% are considered high by certain States and you may find these services available at lower rates**

The maximum annual fee is negotiable but may not be over 3%. The minimum annual fee is \$1.00

Although the Advisory Service Agreement is an ongoing agreement and constant adjustments are required, the length of service to the client is at the client's discretion. The client or the investment manager may terminate an Agreement by written notice to the other party. At termination, fees will be billed on a pro rata basis for the portion of the quarter completed. The portfolio value at the completion of the prior full billing quarter is used as the basis for the fee computation, adjusted for the number of days during the billing quarter prior to termination.

Hourly Planning Engagements

LPCM provides hourly planning services for clients who need advice on a limited scope of work. The hourly rate for limited scope engagements is \$100 and *is negotiable*.

Asset Management

Assets are invested primarily in no-load or low-load mutual funds and exchange-traded funds, usually through discount brokers or fund companies. Fund companies charge each fund shareholder an investment management fee that is disclosed in the fund prospectus. Discount brokerages may charge a transaction fee for the purchase of some funds.

Stocks and bonds may be purchased or sold through a brokerage account when appropriate. The brokerage firm charges a fee for stock and bond trades. LPCM does not receive any compensation, in any form, from fund companies.

Investments may also include: equities (stocks), corporate debt securities, investment company securities (variable life insurance, variable annuities, and mutual funds shares) and options contracts.

Initial public offerings (IPOs) are not available through LPCM.

Termination of Agreement

A Client may terminate any of the aforementioned agreements at any time by notifying LPCM in writing and paying the rate for the time spent on the investment advisory engagement prior to notification of termination. If the client made an advance payment, LPCM will refund any unearned portion of the advance payment.

LPCM may terminate any of the aforementioned agreements at any time by notifying the client in writing. If the client made an advance payment, LPCM will refund any unearned portion of the advance payment.

Fees and Compensation

Description

LPCM bases its fees on a percentage of assets under management, hourly charges or annual fees (annual fees are charged in arrears).

Financial plans are priced according to the degree of complexity associated with the client's situation.

Fees are always negotiable.

Fee Billing

Investment management fees are billed monthly, quarterly or annually *in arrears* depending on the clients' needs and/or preference and willingness of the advisor involved. Meaning, we may invoice you before or after the billing period has begun or ended. Again, this is negotiable between you and your representative. Payment in full is expected upon invoice presentation. Fees are usually deducted from a designated client account to facilitate billing or the client may elect to pay by check, outside of their investment accounts. The client must consent in advance to direct debiting of their investment account and any billing arrangement must be approved by the client in writing.

Fees for financial plans are billed 50% in advance, with the balance due upon delivery of the financial plan. The financial plan must be delivered with 6 months of original billing to avoid any "custody" issue.

Other Fees

Custodians may charge transaction fees on purchases or sales of certain mutual funds and exchange-traded funds. These transaction charges are usually small and incidental to the purchase or sale of a security. The selection of the security is more important than the nominal fee that the custodian charges to buy or sell the security.

Some managed accounts may be held at RBC Wealth Management (custodian) and be in the name of Liberty Partners Financial Services, LLC (LPFS). LPFS is owned by the same holding company that owns LPCM and may receive some remuneration for client trades done in those accounts – but only in those cases where a ticket charge of \$9.95 has been charged.

LPCM, in its sole discretion, may waive its minimum fee and/or charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.).

Expense Ratios

Mutual funds generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.5% for their services. These fees are in addition to the fees paid by you to LPCM. These fees are deducted from the performance of the mutual fund and retained by them—LPCM does not receive any of these fees.

Performance figures quoted by mutual fund companies in various publications are after their fees have been deducted.

Past due Accounts and Termination of Agreement

LPCM reserves the right to stop work on any account that is more than 30 days overdue. In addition, LPCM reserves the right to terminate any financial planning engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in Liberty LPCM's judgment, to providing proper financial advice. Any unused portion of fees collected in advance will be refunded within 30 days.

Performance-Based Fees

Sharing of Capital Gains

Fees are not based on a share of the capital gains or capital appreciation of managed securities.

LPCM does not use a performance-based fee structure because of the potential conflict of interest.

Types of Clients

Description

LPCM generally provides investment advice to individuals.

Client relationships vary in scope and length of service.

Account Minimums

The minimum account size is \$25,000 of assets under management.

LPCM has the discretion to waive the account minimum. Accounts of less than \$25,000 may be set up when the client and the advisor anticipate the client will add additional funds to the accounts bringing the total to \$25,000 within a reasonable time. Other exceptions will apply to employees of LPCM and their relatives, or relatives of existing clients.

In all cases, management fees will not exceed 3% as described on page 4.

Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

Security analysis methods may include charting, fundamental analysis, technical analysis, and cyclical analysis.

The main sources of information include financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports,

prospectuses, filings with the Securities and Exchange Commission, and company press releases.

Other sources of information that LPCM may use include Morningstar Principia mutual fund information, Morningstar Principia stock information, Charles Schwab & Company's "SchwabLink" service, Advisor Intelligence, RBC Capital Markets research reports and the World Wide Web.

Investment Strategies

The primary investment strategy used on client accounts is strategic asset allocation utilizing a core and satellite approach. This means that we use passively-managed index and exchange-traded funds as the core investments, and then add actively-managed funds where there are greater opportunities to make a difference. Portfolios are globally diversified to control the risk associated with traditional markets.

In some cases, an investment strategy may involve the active trading of equity securities, option contracts or individual bonds. These strategies incur higher transaction costs which should be considered by the client before authorizing such a strategy. This active trading strategy may also cause considerable tax consequences for the client. You should consult your tax adviser before authorizing an active trading strategy.

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time. Each client executes an Investment Policy Statement that documents their objectives and their desired investment strategy.

Other strategies, as discussed above, may include long-term purchases, short-term purchases, trading, short sales, margin transactions, and option writing (including covered options, uncovered options or spreading strategies).

Risk of Loss

All investment programs, and all securities, contain risks of loss that are borne by the investor.

Disciplinary Information

Legal and Disciplinary

The firm has not been involved in legal or disciplinary events related to past or present investment clients.

Some representatives have legal or disciplinary events related to past or present investment clients, please see the form ADV 2B with detailed information about your representative.

Other Financial Industry Activities and Affiliation

Affiliations

LPCM is a Registered Investment Advisor (RIA) and is under common ownership with Liberty Partners Financial Services, LLC, a FINRA and SEC Broker Dealer.

Kenneth Billingsley, the CCO of LPCM, is also registered with Liberty Partners Financial Services, LLC (LPFS) as a registered representative. There are circumstances where his LPCM clients are also LPFS clients and he does commission based securities activities with those clients. We don't believe this creates any conflict of interest for Mr. Billingsley or for any other Representative that may be dually registered with LPCM and LPFS. Many clients request services where commission based services are cheaper and more appropriate and in some cases fee based services are more appropriate. Mr. Billingsley is also licensed in several states to sell Life and Health Insurance products. These products are sold on a commission basis and in some cases the clients who buy insurance products are also brokerage clients (commission based) and managed account (fee based) clients. We don't believe this creates any conflict of interest

Your investment representative may also be licensed with LPFS and may also be licensed to sell insurance products. This will be disclosed on his ADV, part 2B.

Other than the affiliation described above, LPCM has no relationships, receives no compensation, or has any other relationship that creates material conflict of interest with investment companies or other pooled investment vehicles, futures commissions merchant, commodity pool operator, commodity trading advisor, other investment adviser or financial planner, banking or thrift institution, accountant or accounting firm, lawyer or law firm, insurance company or agency, pension consultant, real estate broker or dealer, sponsor or syndicator of limited partnerships.

LPCM does not recommend other investment advisers where we receive compensation directly or indirectly from that adviser that creates a material conflict of interest.

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

Code of Ethics

The employees of LPCM have committed to a Code of Ethics that is available for review by clients and prospective clients upon request

Participation or Interest in Client Transactions

LPCM and its employees may buy or sell securities that are also held by clients. Every effort is made by an employee to trade client securities before trading their own but this may not be possible in all cases. The employee may trade their own securities for many reasons, other than market related and may not have immediate access to clients, or their accounts to authorize and make a trade. For these reasons, a rep may trade the same security, for their account, ahead of client trades. Employees comply with the provisions of the LPCM Compliance Manual.

Personal Trading

The Chief Compliance Officer of LPCM is Ken Billingsley. He reviews all employee trades each quarter. His trades are reviewed by Jeff Fanning. The personal trading reviews ensure that the personal trading of employees does not affect the markets. Since most employee trades are small mutual fund trades or exchange-traded fund trades, the trades do not affect the securities markets.

Brokerage Practices

Selecting Brokerage Firms

LPCM does not have any affiliation with product sales firms. Specific custodian recommendations are made to Clients based on their need for such services. LPCM recommends custodians based on the proven integrity and financial responsibility of the firm and the best execution of orders at reasonable commission rates. The only benefit we might receive from a custodian would be a proprietary trading, information management and 3rd party research system that is not available to the general public. These systems do not create revenue for us, but could be considered “soft dollar” benefits to us that we otherwise may have been required to pay for. During the last fiscal year we have directed all client transactions to RBC Correspondent Services—the clearing agent for LPFS, our affiliate Broker Dealer.

Best Execution

LPCM reviews the execution of trades at each custodian each quarter. The review is documented in the LPCM Compliance Manual. Trading fees charged by the custodians are also reviewed on a quarterly basis. LPCM does not receive any portion of the trading fees.

Order Aggregation

Most trades are mutual funds or exchange-traded funds where trade aggregation does not garner any client benefit. There may be situations where block trading (order aggregation) is done to receive best price and best

execution with individual equity securities. This would normally be done whenever a decision has been made to liquidate or purchase a position for numerous clients of one representative. In this case we would consider “numerous” to mean more than 5 clients.

Review of Accounts

Periodic Reviews

The Chief Compliance Officer (CCO) or his/her designate will review accounts at least annually. Account reviews are performed more frequently when market conditions dictate, there is a notable increase in the amount of requests by a client that effect transactions in their account(s), a clients request to liquidate positions and/or customer complaints.

Review Triggers

Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's own situation.

Regular Reports

Account reviewers are members of the firm's Management Team and/or their designee's. They are instructed to consider the client's current security positions and the likelihood that the performance of each security will contribute to the investment objectives of the client.

Clients receive periodic communications on at least an annual basis. The written updates, from LPCM, may include a net worth statement, performance reporting, portfolio statement and a summary of objectives and progress towards meeting those objectives.

Client Referrals and Other Compensation

Incoming Referrals

LPCM has been fortunate to receive many client referrals over the years. The referrals came from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other similar sources. The firm does not compensate referring parties for these referrals.

Referrals Out

LPCM does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

Custody

Account Statements

All assets are held at qualified custodians, which means the custodians provide account statements directly to clients at their address of record at least quarterly. In many cases, these statements are sent monthly

Performance Reports

Clients are urged to compare the account statements received directly from their custodians to the performance report statements provided by LPCM.

Net Worth Statements

Clients are frequently provided net worth statements and net worth graphs that are generated from our client relationship management system. Net worth statements contain approximations of bank account balances provided by the client, as well as the value of land and hard-to-price real estate. The net worth statements are used for long-term financial planning where the exact values of assets are not material to the financial planning tasks.

Investment Discretion

Discretionary Authority for Trading

LPCM accepts written discretionary authority, in certain cases, to manage securities accounts on behalf of clients. In these cases, LPCM has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. Clients may limit discretionary authority in any way they see fit and these limitations would be noted on the advisory agreement.

LPCM consults with the client prior to each trade to obtain concurrence if a blanket trading authorization has not been given.

The client approves the custodian to be used and the commission rates paid to the custodian. LPCM does not receive any portion of the transaction fees or commissions paid by the client to the custodian on certain trades.

Discretionary trading authority facilitates placing trades in your accounts on your behalf so that we may promptly implement the investment policy that you have approved in writing.

Limited Power of Attorney

A limited power of attorney is a trading authorization for this purpose. You sign a limited power of attorney so that we may execute the trades that you have approved.

Voting Client Securities

Proxy Votes

LPCM does not vote proxies on securities. Clients are expected to vote their own proxies and they will receive proxies and other solicitations directly from their asset custodian.

When assistance on voting proxies is requested, LPCM will provide recommendations to the Client. If a conflict of interest exists, it will be disclosed to the Client.

Financial Information

Financial Condition

LPCM does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

A balance sheet is not required to be provided because LPCM does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$1200 per client, and six months or more in advance.

Business Continuity Plan

General

LPCM has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key people.

Disasters

The Business Continuity Plan covers natural disasters such as snow storms, hurricanes, tornados, and flooding. The Plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, T-1 communications line outage, Internet outage, railway accident and aircraft accident. Electronic files are backed up daily and archived offsite.

Alternate Offices

Alternate offices are identified to support ongoing operations in the event the main office is unavailable. It is our intention to contact all clients within five days of a disaster that dictates moving our office to an alternate location.

Loss of Key Personnel

LPCM does not have a Business Continuation Agreement with another financial advisory firm to support LPCM in the event of Ken Billingsley or Jeff

Fanning's serious disability or death. Mr. Billingsley and Mr. Fanning work geographically separate from one another and in the event of serious disability or death to either one, the other will take over sole management of the firm.

Information Security Program

Information Security

LPCM maintains an information security program to reduce the risk that your personal and confidential information may be breached.

Privacy Notice

LPCM is committed to maintaining the confidentiality, integrity and security of the personal information that is entrusted to us.

The categories of nonpublic information that we collect from you may include information about your personal finances, information about your health to the extent that it is needed for the financial planning process, information about transactions between you and third parties, and information from consumer reporting agencies, e.g., credit reports. We use this information to help you meet your personal financial goals.

With your permission, we disclose limited information to attorneys, accountants, and mortgage lenders with whom you have established a relationship. You may opt out from our sharing information with these nonaffiliated third parties by notifying us at any time by telephone, mail, fax, email, or in person. With your permission, we share a limited amount of information about you with your brokerage firm in order to execute securities transactions on your behalf.

We maintain a secure office to ensure that your information is not placed at unreasonable risk. We employ a firewall barrier, secure data encryption techniques and authentication procedures in our computer environment.

We do not provide your personal information to mailing list vendors or solicitors. We require strict confidentiality in our agreements with unaffiliated third parties that require access to your personal information, including financial service companies, consultants, and auditors. Federal and state securities regulators may review our Company records and your personal records as permitted by law.

Personally identifiable information about you will be maintained while you are a client, and for the required period thereafter that records are required to be maintained by federal and state securities laws. After that time, information may be destroyed.

We will notify you in advance if our privacy policy is expected to change. We are required by law to deliver this Privacy Policy to you annually, in writing.

