

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

Item 1 Cover Page

Katz Family Financial Advisors, LLC

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This brochure provides information about the qualifications and business practices of Katz Family Financial Advisors. If you have any questions about the contents of this brochure, please contact us at 425.657.2205 or [sue@katzfamilyfinancial.com](mailto:sue@katzfamilyfinancial.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 Katz Family Financial Advisors also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

Item 2 Material Changes

The firm has no discretionary accounts.

Item 3 Table of Contents

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Item 4 Advisory Business

Katz Family Financial Advisors, LLC is an investment adviser providing investment management services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and business entities. The Registrant offers its services for fees based upon assets under management. Prior to engaging the Registrant to provide any of the foregoing investment advisory services, the client will be required to enter into one or more written agreements with the Registrant setting forth the terms and conditions under which the Registrant shall render its services (collectively the "Agreement").

Katz Family Financial Advisors is owned one third each by Lawrence Katz, Mark Katz and Susan Katz. It has been in business, as an LLC since 2004. Prior experience in the securities industry by each of the owners is listed below.

**LAWRENCE W. KATZ**

Born 1938

Post-Secondary Education: Southern Illinois University - 1979, MBA, Finance Polytechnic Institute of Brooklyn-1958, Bachelor of Electrical Engineering, Computers and Automation

Recent Business Background: Katz Family Financial Advisors, LLC, Managing Member, 03/2005 – Present

UBS Financial Services Inc., Financial Advisor, 07/1991 - 03/2005

**MARK E. KATZ**

Born 1964

Post-Secondary Education: Ithaca College - 1986, BS, Psychology

Recent Business Background: Katz Family Financial Advisors, LLC, Managing Member, 03/2005-Present

UBS Financial Services Inc., Financial Advisor, 02/2004 - 03/2005

GE Financial Advisor, Sales Representative, 01/2003 - 02/2004

Capital Brokerage Corporation / Terra Securities Corporation, Registered Representative, 01/2003 - 02/2004

Investors Capital Corporation, Registered Representative, 10/2000 - 01/2003

Hartford Life, Insurance Representative, 06/2000 - 09/2000

First Union Brokerage Services, Inc., Registered Representative, 04/1999 - 05/2000

**SUSAN KATZ**

Born 1962

Post-Secondary Education: University of Wisconsin - 1989, MBA University of Maryland-1984, BS, Finance

Recent Business Background: Katz Family Financial Advisors, LLC, CCO/Managing Member 03/2005 - Present

UBS Financial Services Inc., Financial Advisor, 02/2004 - 03/2005 On Demand Executive Talent,

President / Consultant, 04/1998 - 01/2004 Borden Chemical, Global Finance Director, 09/2002 - 06/2003

ProjectGuides, Chief Financial Officer, 12/2000 - 07/2001

The Registrant's investment advisory services are currently limited to non-discretionary management of investment portfolios in accordance with the investment objective(s) of the client. As of December 2011 total assets being managed are \$63 million.

The Katz Family Financial Advisors Program (the "Program") is a fee-only investment advisory program (the "Program") sponsored by Katz Family Financial Advisors, LLC. The Program provides individuals, pension and profit sharing plans, trusts, estates, charitable organizations, and business entities the ability to trade in individual debt and equity securities, mutual funds, index funds, exchange-traded funds, options, and other eligible securities (collectively "Eligible Securities") without incurring separate brokerage commissions or transaction charges. 100% of clients participate in the wrap fee program.

The Registrant may provide limited financial planning or other consulting services as part of its investment

management services. To the extent specifically requested by a client, the Registrant may provide limited consultation services to its investment management clients on investment and non-investment related matters. Any such consultation services, to the extent rendered, shall be rendered exclusively on an unsolicited basis, for which the Registrant may or may not receive additional compensation.

The Registrant is the sponsor of the Katz Family Financial Advisors Program (the "Program"), a wrap fee program. The Registrant provides the majority of its investment management services through the Program. In the event the client participates in the Program, the Registrant shall provide its investment management services and arrange for brokerage transactions under a single annualized fee. For participants in the Program, the Registrant shall charge an annual fee based upon a percentage of the market value of the assets being managed by the Registrant that includes all commissions or transaction fees which otherwise would be incurred by the client. Participants in the Program may pay a higher aggregate fee than if investment management and brokerage services are purchased separately. A complete description of the Program's terms and conditions (including fees) are contained in the Program's wrap fee brochure.

Item 5 Fees and Compensation

If engaged, Katz Family Financial Advisors shall charge an annual fee based upon a percentage of the market value of the assets being managed by the Registrant. The Registrant's annual fee for services outside of the Program is exclusive of, and in addition to brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. However, the Registrant shall not receive any portion of these commissions, fees, and costs. The Registrant's annual fee is charged quarterly, in arrears. The annual fee shall be 1.00%.  
This is a non-negotiable fee.

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

There are no performance based fees.

Item 7      Types of *Clients*

Katz Family Financial Advisors, LLC (the firm) is an investment adviser providing investment management services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and business entities



Katz Family Financial Advisors primarily allocates its client's investment management assets, on a discretionary and/or a non-discretionary basis among individual debt and equity securities, mutual funds and exchange traded funds in accordance with the investment objectives of the client. Investing in securities involves risk of loss that clients should be prepared to bear. All assets purchased and held are traded on a major exchange, with common equity and debt risks. This also means information on these securities is commonly available to the public.

Proprietary models are used to filter the universe of securities based on criteria for safety, quality, growth and value. Models are used for common stocks, etfs and mutual funds.

The Registrant's management using the investment strategy has been designed to comply with the requirements of Rule 3a-4 of the Investment Company Act of 1940, as amended. Rule 3a-4 provides similarly-managed accounts, such as the investment strategy, with a safe harbor from the definition of an investment company. In accordance with Rule 3a-4, the following features have been specifically included in the Registrant's management using the investment strategy:

1. Initial Interview - an initial interview is conducted with each client to determine the client's financial circumstances, goals, acceptable levels of risk, any reasonable restrictions on the management of their account, and other relevant circumstances;
2. Individual Treatment - the client's account is managed on the basis of the client's financial circumstances and investment objectives;
3. Consultation - an Advisory Affiliate of the Registrant knowledgeable about the client's account shall be reasonably available to consult with the client relative to the status and management of their account;
4. Notice of Transactions - the client shall receive notice of all transactions in their account as if they had maintained a similar account outside of the program;
5. Quarterly Statement - the client shall be provided with a quarterly statement containing a description of all activity in their account;
6. Ability to Impose Restrictions - the client shall have the ability to impose reasonable restrictions on the management of their account, including the ability to instruct the Registrant not to purchase certain securities or types of securities;
7. No Pooling - the client's beneficial interest in a security does not represent an undivided interest in all the securities held by the custodian, but rather represents a direct and beneficial interest in the securities which comprise the client's account;
8. Separate Account - a separate account is maintained for the client with the custodian; and
9. Ownership - each client retains indicia of ownership of the account (e.g. right to withdraw securities or cash, exercise or delegate proxy voting, and receive transaction confirmations).

Item 9      Disciplinary Information

The firm has no disciplinary actions.

Item 10 Other Financial Industry Activities and Affiliations

The firm has no other industry activities or affiliations.

All Associated Persons of the Firm must comply with applicable federal securities laws. In particular, it is unlawful for the Firm and any Associated Person, by use of the mails or any means or instrumentality of interstate commerce, directly or indirectly:

- To employ any device, scheme or artifice to defraud any client or prospective client of the Firm;
- To engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon any client or prospective client of the Firm; or
- To engage in any fraudulent, deceptive, or manipulative practice.

In adopting this Code, the Firm recognizes that it, and its affiliated persons owe a fiduciary duty to the Firm's client accounts and must (1) at all times place the interests of Firm clients first; (2) conduct personal securities transactions in a manner consistent with this Code and avoid any abuse of a position of trust and responsibility; and (3) adhere to the fundamental standard that Associated Persons should not take inappropriate advantage of their positions. In addition, the Firm and its Associated Persons must comply with all applicable federal securities laws, which shall generally be explained in the Firm's Compliance Manual. Associated Persons must report any violations of the Code of Ethics to the Firm's Chief Compliance Officer.

#### ***Timing of Personal Transactions***

No Access Person may purchase or sell, directly or indirectly, any Security in which the Access Person or an Affiliate Account has, or by reason of the transaction acquires, any direct or indirect Beneficial Ownership if the Access Person knows or reasonably should know that the Security, at the time of the purchase or sale (i) is being considered for purchase or sale on behalf of any Client Account; or (ii) is being actively purchased or sold on behalf any Client Account.

If the Firm is purchasing/selling or considering for purchase/sale any Security on behalf of a Client Account, no Access Person may effect a transaction in that Security prior to the client purchase/sale having been completed by the Firm, or until a decision has been made not to purchase/sell the Security on behalf of the Client Account.

#### ***Improper Use of Information***

No Access Person may use his or her knowledge about the securities transactions or holdings of a Client Account in trading for any account that is directly or indirectly beneficially owned by the Access Person or for any Affiliate Account. Any investment ideas developed by an Access Person must be made available to Client Accounts before the Access Person may engage in personal transactions or transactions for an Affiliate Account based on these ideas.

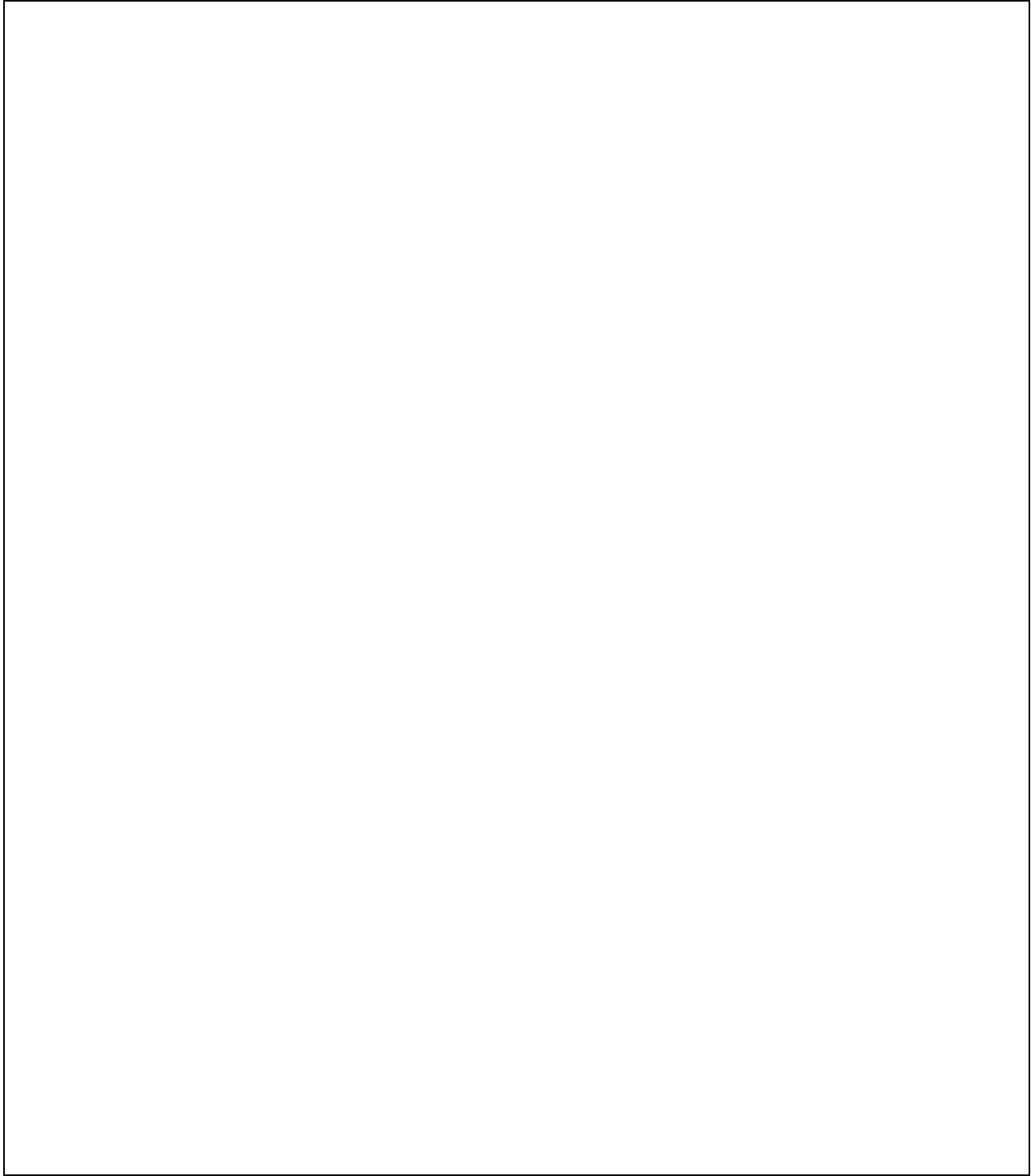
No Associated Person:

- while aware of material nonpublic information about a company, may purchase or sell securities of that company until the information becomes publicly disseminated and the market has had an opportunity to react;
- shall disclose material nonpublic information about a company to any person except for lawful purposes;
- may purchase any Restricted Securities, found on the Restricted Securities List attached as Exhibit F, as for as long as the publicly traded company (or any member of its senior management) is a client of the Firm, unless expressly approved in advance by the Chief Compliance Officer.

#### ***Initial Public Offerings***

No Access Person may acquire any securities in an Initial Public Offering without first obtaining pre-clearance and approval from the Chief Compliance Officer.

***Limited Offerings*** - No Access Person may acquire any securities in a Limited Offering without first obtaining pre-clearance and approval from the Chief Compliance Officer.



Item 12      Brokerage Practices

The firm uses Fidelity Investments for all brokerage practices and custodian services.

Item 13      Review of Accounts

Clients in the Program will receive a report from Katz Family Financial Advisors that may include such relevant Portfolio and/or market-related information such as an inventory of the investments in the Client's Portfolios and Portfolio performance on a monthly basis.

The Registrant monitors portfolios as part of an ongoing process while regular account reviews are conducted on at least a quarterly basis. Such reviews are conducted by one or more of the Registrant's Principals. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with the Registrant and to keep the Registrant informed of any changes thereto. The Registrant shall contact ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

Item 14      *Client* Referrals and Other Compensation

The firm does not provide compensation for any client referrals, or for any other purpose to any outside parties. There are no soft dollar arrangements.



Item 15      *Custody*

All assets of the firm held by Fidelity as custodian.

Item 16      Investment Discretion

The firm has no discretionary accounts. A specific discretionary agreement would be signed if we had any discretionary accounts.

Item 17      Voting *Client* Securities

The firm does not vote client securities.

Item 18 Financial Information

The firm will provide needed documents on request.

Item 19      Requirements for State-Registered Advisers

Information supplied elsewhere in the ADV