

First American Financial Advisors, Inc.

Firm Brochure - Form ADV Part 2A

This brochure provides information about the qualifications and business practices of First American Financial Advisors, Inc.. If you have any questions about the contents of this brochure, please contact us at (505) 883-0083 or by email at: rob@firstamericanfa.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 First American Financial Advisors, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov. First American Financial Advisors, Inc.'s CRD number is: 170404.

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Registration does not imply a certain level of skill or training.

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Item 2: Material Changes

First American Financial Advisors, Inc. has not yet filed an annual updating amendment using the Form ADV Part 2A. Therefore there are no material changes to report.

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Item 4: Advisory Business

Business Description

We provide services to individuals, high-net-worth individuals, pension and profit sharing plans, charitable organizations, corporations or business entities and state or municipal government entities concerning mutual funds, equities and treasury inflation protected/inflation linked bonds. As a registered investment adviser, we are held to the highest standard of client care – a fiduciary standard. As a fiduciary, we always put our client's interests first and must fully disclose any potential conflict of interest. We do not hold customer funds or securities.

A. Description of the Advisory Firm

First American Financial Advisors, Inc. (hereinafter "FAFA") is a Corporation organized in the State of New Mexico.

The firm was formed in October 2003, and the principal owner is Robert Michael Burpo.

B. Types of Advisory Services

Portfolio Management Services

FAFA offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. FAFA creates an Investment Policy Statement for each client, which outlines the client's current situation (income, tax levels, and risk tolerance levels) and then constructs a plan to aid in the selection of a portfolio that matches each client's specific situation. Portfolio management services include, but are not limited to, the following:

- | | |
|-----------------------|--------------------------------|
| • Investment strategy | • Personal investment policy |
| • Asset allocation | • Asset selection |
| • Risk tolerance | • Regular portfolio monitoring |

FAFA evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

FAFA seeks to provide that investment decisions are made in accordance with the fiduciary duties owed to its accounts and without consideration of FAFA's economic, investment or other financial interests. To meet its fiduciary obligations, FAFA attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain client portfolios, and accordingly, FAFA's policy is to seek fair and equitable allocation of investment opportunities/transactions among its clients to avoid favoring one client over another over time. It is FAFA's policy to allocate

investment opportunities and transactions it identifies as being appropriate and prudent, including initial public offerings ("IPOs") and other investment opportunities that might have a limited supply, among its clients on a fair and equitable basis over time.

Selection of Other Advisers

FAFA may direct clients to third-party investment advisers to manage all or a portion of the client's assets. Before selecting other advisers for clients, FAFA will always ensure those other advisers are properly licensed or registered as an investment adviser. FAFA conducts due diligence on any third-party investment adviser, which may involve one or more of the following: phone calls, meetings and review of the third-party adviser's performance and investment strategy. FAFA then makes investments with a third-party investment adviser by referring the client to the third-party adviser. FAFA will review the ongoing performance of the third-party adviser as a portion of the client's portfolio.

Pension Consulting Services

FAFA offers ongoing consulting services to pension or other employee benefit plans (including but not limited to 401(k) plans) based on the demographics, goals, objectives, time horizon, and/or risk tolerance of the plan's participants.

Services Limited to Specific Types of Investments

FAFA generally limits its investment advice to mutual funds, equities and treasury inflation protected/inflation linked bonds, although FAFA primarily recommends fixed income for government accounts, mostly through institutional no-load mutual funds. to a majority of its clients. FAFA may use other securities as well to help diversify a portfolio when applicable.

C. Client Tailored Services and Client Imposed Restrictions

FAFA will tailor a program for each individual client. FAFA uses various maturity and risk tolerances based on client needs, statutes under which they must operate and level of client education on the fixed income markets. This will include an interview session to get to know the client's specific needs and requirements as well as a plan that will be executed by FAFA on behalf of the client. FAFA may use "model portfolios" together with a specific set of recommendations for each client based on their personal restrictions, needs, and targets. Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent FAFA from properly servicing the client account, or if the restrictions would require FAFA to deviate from its standard suite of services, FAFA reserves the right to end the relationship.

D. Wrap Fee Programs

FAFA participates in wrap fee programs, which are investment programs where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and other administrative fees. FAFA manages the investments in the wrap fee program, but does not manage those wrap fee accounts any differently than non-wrap fee accounts. A portion of the fees paid to the wrap account program will be given to FAFA as a management fee.

E. Assets Under Management

FAFA has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$18,500,000.00	\$153,000,000.00	10/31/2014

Item 5: Fees and Compensation

A. Fee Schedule

Fees for Municipal Advisory Services

We charge a negotiated fee for our municipal advisory services if such service is provided to the client.

Selection of Other Advisers Fees

FAFA may direct clients to third-party investment advisers. FAFA will receive the following fee on top of the fee paid to the third party adviser.

Total Assets Under Management	Annual Fee
All assets	0.40%

These fees are generally negotiable and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract. Clients may terminate the agreement without penalty for a full refund of FAFA's fees within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract generally with 5 days' written notice.

FAFA bills based on the balance on the first day of the billing period.

This relationship will be memorialized in each contract between FAFA and each third-party adviser. The fees will not exceed any limit imposed by any regulatory agency. The notice of termination requirement and payment of fees for third-party investment advisers will depend on the specific third-party adviser selected.

These fees are negotiable.

FAFA current allocates to the following advisers, who charge fees according to their brochures:

Delaware Capital Management

NeubergerBerman

Federated Investment Advisers

Pension Consulting Services Fees

Asset-Based Fees for Pension Consulting

Total Assets Under Management	Annual Fee
All assets	1.50%

These fees are generally negotiable and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract.

Clients may terminate the agreement without penalty for a full refund of FAFA's fees within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract generally with 5 days' written notice. FAFA bills based on the balance on the first day of the billing period

B. Payment of Fees

Payment of Asset-Based Portfolio Management Fees

Asset-based portfolio management fees are withdrawn directly from the client's accounts with client's written authorization on a quarterly basis, or may be invoiced and billed directly to the client on a quarterly basis. Clients may select the method in which they are billed. Fees are paid in advance.

Payment of Asset-Based Pension Consulting Fees

Asset-based pension consulting fees are withdrawn directly from the client's accounts with client's written authorization on a quarterly basis. Fees are paid in advance.

Payment of Selection of Other Advisers Fees

The timing, frequency, and method of paying fees for selection of third-party managers will depend on the specific third-party adviser selected and will be disclosed to the client prior to entering into a relationship with the third-party advisor.

C. Client Responsibility For Third Party Fees

FAFA will wrap third party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). FAFA will charge clients one fee, and pay all transaction fees using the fee collected from the client.

D. Prepayment of Fees

FAFA collects fees in advance. Refunds for fees paid in advance will be returned within fourteen days to the client via check, or return deposit back into the client's account.

For all asset-based fees paid in advance, the fee refunded will be the balance of the fees collected in advance minus the daily rate* times the number of days in the billing period up to and including the day of termination. (*The daily rate is calculated by dividing the annual asset-based fee rate by 365.)

E. Outside Compensation For the Sale of Securities to Clients

FAFA or its supervised persons may accept compensation for the sale of securities or other investment products, including asset-based sales charges or services fees from the sale of mutual funds.

Robert Michael Burpo is a registered representative of a broker-dealer and in this role, accepts compensation for the sale of securities and other products to FAFA clients.

1. This is a Conflict of Interest

Supervised persons may accept compensation for the sale of securities or other investment products, including asset based sales charges or service fees from the sale of mutual funds to FAFA's clients. This presents a conflict of interest and gives the supervised person an incentive to recommend products based on the compensation received rather than on the client's needs. When recommending the sale of securities or investment products for which the supervised persons receives compensation,

FAFA will document the conflict of interest in the client file and inform the client of the conflict of interest.

2. Clients Have the Option to Purchase Recommended Products From Other Brokers

Clients always have the option to purchase FAFA recommended products through other brokers or agents that are not affiliated with FAFA.

3. Commissions are not the Primary Source of Income for FAFA

Commissions are not FAFA's primary source of compensation.

4. Advisory Fees in Addition to Commissions or Markups

Advisory fees that are charged to clients are reduced to offset the commissions or markups on securities or investment products recommended to clients.

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

FAFA does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

Item 7: Types of Clients

FAFA generally provides advisory services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Pension and Profit Sharing Plans
- ❖ Charitable Organizations
- ❖ Corporations or Business Entities
- ❖ State or Municipal Government Entities

Minimum Account Size

There is no account minimum for any of FAFA's services.

Item 8: Methods of Analysis, Investment Strategies, and Risk of Investment Loss

A. Methods of Analysis and Investment Strategies

Methods of Analysis

FAFA's methods of analysis include fundamental analysis, technical analysis, cyclical analysis and quantitative analysis.

Fundamental analysis involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

Technical analysis involves the analysis of past market data; primarily price and volume.

Cyclical analysis involves the analysis of business cycles to find favorable conditions for buying and/or selling a security.

Quantitative analysis deals with measurable factors as distinguished from qualitative considerations such as the character of management or the state of employee morale, such as the value of assets, the cost of capital, historical projections of sales, and so on.

Investment Strategies

FAFA uses long term trading.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

B. Material Risks Involved

Methods of Analysis

Fundamental analysis concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

Technical analysis attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not take into account new patterns that emerge over time.

Cyclical analysis assumes that the markets react in cyclical patterns which, once identified, can be leveraged to provide performance. The risks with this strategy are two-fold: 1) the markets do not always repeat cyclical patterns; and 2) if too many investors begin to implement this strategy, then it changes the very cycles these investors are trying to exploit.

Quantitative Model Risk: Investment strategies using quantitative models may perform differently than expected as a result of, among other things, the factors used in the models, the weight placed on each factor, changes from the factors' historical trends, and technical issues in the construction and implementation of the models.

Investment Strategies

Long term trading is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

Selection of Other Advisers: Although FAFA will seek to select only money managers who will invest clients' assets with the highest level of integrity, FAFA's selection process cannot ensure that money managers will perform as desired and FAFA will have no control over the day-to-day operations of any of its selected money managers. FAFA would not necessarily be aware of certain activities at the underlying money manager level, including without limitation a money manager's engaging in unreported risks, investment "style drift" or even regulator breach or fraud.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

C. Risks of Specific Securities Utilized

Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below (leaving aside Treasury Inflation Protected/Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.

Mutual Funds: Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond "fixed income" nature (lower risk) or stock "equity" nature (mentioned below).

Equity investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

Item 9: Disciplinary Information

A. Criminal or Civil Actions

There are no criminal or civil actions to report.

B. Administrative Proceedings

There are no administrative proceedings to report.

C. Self-regulatory Organization (SRO) Proceedings

There are no self-regulatory organization proceedings to report.

Item 10: Other Financial Industry Activities and Affiliations

A. Registration as a Broker/Dealer or Broker/Dealer Representative

As a registered representative of LPL, Robert Michael Burpo accepts compensation for the sale of securities.

B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor

Neither FAFA nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests

Gregory Burpo and Robert Michael Burpo are registered representatives and investment adviser representatives of LPL Financial LLC. From time to time, they will offer clients advice or products from these activities. Clients should be aware that these services pay a commission or other compensation and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. FAFA always acts in the best interest of the client, including with respect to the sale of commissionable products to advisory clients. Clients are in no way required to implement

the plan through any representative of FAFA in such individual's capacity as a registered representative.

Robert Michael Burpo acts as a registered municipal adviser and from time to time, may offer clients advice or products from those activities and clients should be aware that these services may involve a conflict of interest. FAFA always acts in the best interest of the client and clients are in no way required to the services of any representative of FAFA in connection with such individual's activities outside of FAFA.

Gregory Robert Burpo acts as a pension consultant and from time to time, may offer clients advice or products from those activities and clients should be aware that these services may involve a conflict of interest. FAFA always acts in the best interest of the client and clients are in no way required to the services of any representative of FAFA in connection with such individual's activities outside of FAFA.

D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections

FAFA may direct clients to third-party investment advisers to manage all or a portion of the client's assets. Clients will pay FAFA its standard fee in addition to the standard fee for the advisers to which it directs those clients. This relationship will be memorialized in each contract between FAFA and each third-party advisor. The fees will not exceed any limit imposed by any regulatory agency. FAFA will always act in the best interests of the client, including when determining which third-party investment adviser to recommend to clients. FAFA will ensure that all recommended advisers are licensed or notice filed in the states in which FAFA is recommending them to clients.

Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

A. Code of Ethics

FAFA has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. FAFA's Code of Ethics is available free upon request to any client or prospective client.

B. Recommendations Involving Material Financial Interests

FAFA does not recommend that clients buy or sell any security in which a related person to FAFA or FAFA has a material financial interest.

C. Investing Personal Money in the Same Securities as Clients

From time to time, representatives of FAFA may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of FAFA to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. FAFA will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

D. Trading Securities At/Around the Same Time as Clients' Securities

From time to time, representatives of FAFA may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of FAFA to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, FAFA will never engage in trading that operates to the client's disadvantage if representatives of FAFA buy or sell securities at or around the same time as clients.

Item 12: Brokerage Practices

A. Factors Used to Select Custodians and/or Broker/Dealers

Custodians/broker-dealers will be recommended based on FAFA's duty to seek "best execution," which is the obligation to seek execution of securities transactions for a client on the most favorable terms for the client under the circumstances. Clients will not necessarily pay the lowest commission or commission equivalent, and FAFA may also consider the market expertise and research access provided by the broker-dealer/custodian, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the brokers that may aid in FAFA's research efforts. FAFA will never charge a premium or commission on transactions, beyond the actual cost imposed by the broker-dealer/custodian.

FAFA recommends Fidelity Brokerage Services LLC and Schwab Institutional, a division of Charles Schwab & Co., Inc.

1. Research and Other Soft-Dollar Benefits

While FAFA has no formal soft dollars program in which soft dollars are used to pay for third party services, FAFA may receive research, products, or other services from custodians and broker-dealers in connection with client securities transactions (“soft dollar benefits”). FAFA may enter into soft-dollar arrangements consistent with (and not outside of) the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended. There can be no assurance that any particular client will benefit from soft dollar research, whether or not the client’s transactions paid for it, and FAFA does not seek to allocate benefits to client accounts proportionate to any soft dollar credits generated by the accounts. FAFA benefits by not having to produce or pay for the research, products or services, and FAFA will have an incentive to recommend a broker-dealer based on receiving research or services. Clients should be aware that FAFA’s acceptance of soft dollar benefits may result in higher commissions charged to the client.

FAFA may recommend/require that clients establish brokerage accounts with the Schwab Advisor Services division of Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member SIPC, to maintain custody of clients’ assets and to effect trades for their accounts. The final decision to custody assets with Schwab is at the discretion of the Advisor’s clients, including those accounts under ERISA or IRA rules and regulations, in which case the client is acting as either the plan sponsor or IRA accountholder. FAFA is independently owned and operated and not affiliated with Schwab. Schwab provides FAFA with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available 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 clients’ assets are maintained in accounts at Schwab Advisor Services. Schwab’s services include brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, 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.

For FAFA client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab also makes available to FAFA other products and services that benefit FAFA but may not benefit its clients’ accounts. These benefits may include national, regional or FAFA specific educational events organized and/or sponsored by Schwab Advisor Services. Other potential benefits may include occasional business entertainment of personnel of FAFA by Schwab Advisor Services personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist FAFA in managing and administering clients’

accounts. These include software and other technology (and related technological training) 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, pricing information and other market data, facilitate payment of FAFA's fees from its clients' accounts, and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of FAFA's accounts, including accounts not maintained at Schwab Advisor Services. Schwab Advisor Services also makes available to FAFA other services intended to help FAFA manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance and marketing. In addition, Schwab may make available, arrange and/or pay vendors for these types of services rendered to FAFA by independent third parties. Schwab Advisor Services may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to FAFA. While, as a fiduciary, FAFA endeavors to act in its clients' best interests, FAFA's recommendation/requirement that clients maintain their assets in accounts at Schwab may be based in part on the benefit to FAFA of the availability of some of the foregoing products and services and other arrangements and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

2. Brokerage for Client Referrals

FAFA receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

3. Clients Directing Which Broker/Dealer/Custodian to Use

FAFA may permit clients to direct it to execute transactions through a specified broker-dealer. If a client directs brokerage, then the client will be required to acknowledge in writing that the client's direction with respect to the use of brokers supersedes any authority granted to FAFA to select brokers; this direction may result in higher commissions, which may result in a disparity between free and directed accounts; and trades for the client and other directed accounts may be executed after trades for free accounts, which may result in less favorable prices, particularly for illiquid securities or during volatile market conditions. Not all investment advisers allow their clients to direct brokerage.

B. Aggregating (Block) Trading for Multiple Client Accounts

FAFA does not aggregate or bunch the securities to be purchased or sold for multiple clients. This may result in less favorable prices, particularly for illiquid securities or during volatile market conditions.

Item 13: Reviews of Accounts

A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews

All client portfolio management accounts are reviewed at least monthly by Robert M Burpo with regard to clients' respective investment policies and risk tolerance levels. All accounts at FAFA are assigned to this reviewer.

B. Factors That Will Trigger a Non-Periodic Review of Client Accounts

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

C. Content and Frequency of Regular Reports Provided to Clients

Each client will receive a quarterly report detailing the client's account, including assets held, asset value, and calculation of fees. This written report will come from the custodian. FAFA will also provide at least quarterly a separate written statement to the client.

Item 14: Client Referrals and Other Compensation

A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)

FAFA does not receive any economic benefit, directly or indirectly from any third party for advice rendered to FAFA's clients.

B. Compensation to Non – Advisory Personnel for Client Referrals

FAFA does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

Item 15: Custody

When advisory fees are deducted directly from client accounts at client's custodian, FAFA will be deemed to have limited custody of client's assets and must have written authorization from the client to do so. Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy.

Item 16: Investment Discretion

FAFA does not have discretion over client accounts at any time.

Item 17: Voting Client Securities (Proxy Voting)

FAFA will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

Item 18: Financial Information

A. Balance Sheet

FAFA neither requires nor solicits prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients

Neither FAFA nor its management has any financial condition that is likely to reasonably impair FAFA's ability to meet contractual commitments to clients.

C. Bankruptcy Petitions in Previous Ten Years

FAFA has not been the subject of a bankruptcy petition in the last ten years.