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This brochure provides information about the qualifications and business practices of Financial Avengers, Inc. If you have any questions about the contents of this brochure, please contact us at the telephone number and/or e-mail address above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or any state securities authority.

Financial Avengers, Inc. is a registered investment advisor. Registration of an investment advisor does not imply any level of skill or training. The verbal and written communications of an investment adviser provide you with information you need to determine whether to hire or retain the advisor.

Additional information about Financial Avengers, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov.

Financial Avengers, Inc.

Our previous annual update was dated January 30, 2014. Following is a summary of the material changes made to Part 2 since that amendment.

Item 4:

We invest primarily in mutual funds and currently 60% of assets under management are allocated to stock, bond and balanced mutual funds. The remaining 40% is invested in individual stocks, bonds and cash.

As of December 31, 2014, we manage assets of \$131.7 million on a discretionary basis and \$8.1 million on a non-discretionary basis.

Please contact us at (415) 773-2174 or HQ@financialavengers.com if you would like a copy of our updated Part 2. Additional information about us is also available on the SEC's website at www.adviserinfo.sec.gov.

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ITEM 4: ADVISORY BUSINESS

Who we are

Financial Avengers, Inc. (referred to as “we,” “our,” “us,” or “FAI”), has been registered as an investment advisor since June 2000. Our principals are Thomas W. Swift, Chief Executive Officer and Arthur L. McCord, Chief Operations Officer.

Services we offer

Investment management is a varied and multi-faceted activity that defies easy answers and requires thought, patience, discipline, courage and even-temperment.

However, we believe that as much of our value (or more) lies in financial planning services and the ongoing counseling that entails. We are equally fascinated, if not more fascinated, by how folks approach finance, how folks navigate economics and how we can help our Agents win the ongoing fight for financial freedom. We believe that planning is more vital than investment selection, spending (and spending restraint) is the key to savings discipline, savings, not investments, is the key to investment success and debt management (and avoidance) is more important than asset allocation.

We believe that our role entails more than asset management. We believe that our greatest service sometimes lies in protecting our Agents from themselves and analyzing their financial decisions from the standpoint of risk and worst-case scenarios. In this case, we often play devil’s advocate, a role that is uncomfortable, but necessary. (This is sometimes our fiduciary obligation, which we take seriously, and to be clear, our role as fiduciary is always at the forefront.) Avoiding financial mistakes that can have lasting impact is far more important than choosing the right large-cap value fund.

We also believe in cheering and supporting our Agents as they navigate life’s obstacles, increase their incomes, change jobs, buy their first home, improve their credit rating, pay off their credit cards, accomplish their goals, succeed in the face of failure, address the complexities (emotional and financial) of new-found wealth, manage the emotional pit-falls of estate transfer and learn to manage their financial lives.

We are counselors to our Agents and their wealth. In that role, managing fear and anxiety is vital. More important is uncovering the root of our Agent’s financial issues, healing past financial wounds, encouraging financial self-esteem, improving our Agent’s financial self-image and, in some cases, shining a light on certain of the more unpleasant aspects of our Agent’s financial lives.

If all this sounds touchy-feely, so be it. After many years, we have learned that how folks approach finance is far more important than whether or not they buy specific mutual funds or adopt a certain asset-allocation model.

However, all of our Agents also seek guidance on their investments, their portfolios, their company sponsored plans and their stock purchase and options plans. We are more than happy to apply our expertise, and in any event, we earn our fees from our Agents’ investment accounts, so how we invest, and how we approach asset management, is vital.

So, once all the hard work (outlined above) is done, we then invest our Agents' precious capital on a discretionary basis, and serve as our Agents' Registered Investment Advisors.

We are buy-and-hold investors. We do not participate in market timing, rapid trading, short-selling, puts, calls, margin, options or any other strategy that involves undo risk. (Investment alone is risky enough.)

We invest primarily in mutual funds and currently 60% of assets under management are allocated to stock, bond and balanced mutual funds. The remaining 40% is invested in individual stocks, bonds and cash. These percentages are not fixed, and in fact our exposure to individual stocks is at an historically high level, and is due to perceived value in favorite blue-chip equities, a large percentage of which have been purchased since the sell-off.

Our individual stock selection tends to be value-based, and remains focused on 'large-moat' companies, dominant in their industries, with decent or high dividend yield and strong balance sheets.

When we buy we buy for the long-haul, but we are not averse to profit-taking, and believe sell-discipline is as important as buy-discipline.

Each new Agent of Financial Avengers participates in an extended and thorough intake and review process, out of which is tailored a plan. At the core of that plan is the determination of risk tolerance, as well as a deep understanding of the Agent's core values, objectives and dreams.

From there a savings discipline is created (or supported, if it already exists).

And, from there, a portfolio is built to reflect the Agent's needs. That portfolio may focus on income and capital preservation, or growth and individual stock selection, or any combination thereof.

Many factors are weighed when building a portfolio, including, but not limited to the following: time-line, whether or not the Agent is coming from cash or fully invested, past investment experience, investment knowledge, levels of anxiety (or lack of anxiety), etc.

Agents may impose restrictions on our investments. However, in recent years we have discouraged such stances. Still, for past clients we have allowed for restrictions on certain kinds of investments and accommodated investment requests. Such restrictions are most frequently related to socially conscious investments and 'green' investments.

We do not provide portfolio management services to a wrap fee program.

Assets under management

As of December 31, 2014, we manage assets of \$131.7 million on a discretionary basis and \$8.1 million on a non-discretionary basis.

ITEM 5: FEES AND COMPENSATION

Investment Management Services

Advisory Fees & Billing Practices

Fees for investment management services are calculated as a percentage of assets under management. These fees are billed quarterly in advance, based on the assets under management as of the last day of the previous calendar quarter. Our standard fee schedule is:

<u>Account Value</u>	<u>Annual Fee</u>
Up to \$100,000	1.50%
From \$100,000 to \$500,000	1.25%
From \$500,001 to \$1,000,000	1.00%
Over \$1,000,000	0.75%
Bond Account	0.50% *

* This applies when the investment objective is primarily income and where a high percentage of account assets are invested in bond funds, individual bonds or other income-oriented investments. Also, when clients have reached the “withdrawal” stage and are using the account to supplement, in whole, or in part, their income.

We use multiple criteria for negotiating fee levels, in the rare circumstances that we *do* negotiate fees. We use the following criteria: current assets under management; current financial situation, particularly if an Agent has experienced job loss; illness, disability or some other emergency event; total family assets under management; longevity of agent relationship; and withdrawal rate on assets under management.

We require that you provide authorization for us to deduct our fees directly from your investment account. Important information about the deduction of management fees:

- You must provide authorization for us to deduct fees by initialing the appropriate section of our contract.
- We provide a detailed invoice which shows how the fee was calculated.
- You will receive a statement from your custodian which shows your holdings.
- You are responsible for reviewing the accuracy of the fees being billed, as the custodian will not do so.

If you would like to end our advisory relationship, you may do so by providing 30 days written notice. We will prorate the advisory fees earned through the termination date and send you a refund of the prepaid, unearned portion of your fee. We process refund payments within 7 days of the termination date and will send you a check or refund your investment account. In either case we will provide a final invoice detailing the calculation of the refund.

Other Costs Involved

In addition to our advisory fee shown above, you are responsible for paying fees associated with investing for your account. These fees include:

- mutual fund loads (if applicable). These charges are paid to brokers as a form of commission.
- management fees for ETFs and mutual funds. These are fees charged by the managers of the ETF or mutual fund and are a portion of the expenses of the ETF or mutual fund.
- brokerage costs and transaction fees for any securities or fixed income trades. These are generally charged by your custodian and/or executing broker.

Additional information about brokerage costs and services is provided in “Item 12: Brokerage Practices.”

We believe the fees mentioned above are competitive; however you may be able to obtain similar services from other sources at a lower price.

Conflicts of Interest

Thomas Swift, CEO, is also affiliated with various insurance agencies. If you elect to implement insurance recommendations through Mr. Swift, he will receive the normal and customary commissions. In these situations, a conflict of interest exists between the interests of the client and FAI. Clients of FAI are under no obligation to implement insurance recommendations through Mr. Swift.

ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

We do not receive performance fees for managing accounts.

ITEM 7: TYPES OF CLIENTS

We generally provide investment advice to individuals and families. We are quite 'retail' focused. Only a small percentage of our clients are businesses, and most of those are self-employed individuals. We do not have a minimum account size. Never have had, never will.

ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

The challenge with any statement of investment policy and strategies is lack of elasticity. We have found that the investment process is fluid – it requires adjustments. More importantly, as we grow, we learn, and what we learn certainly impacts our decisions going forward, even if those decisions may have been different in past years.

That being said, several principals in place guide us in our work. In outlining them here, it is vital to understand that our investment stance is constantly developing, our knowledge is constantly growing, and our world-view is constantly expanding.

1. First, Do No Harm

When assessing mutual funds and other investments, we always look at loss scenarios first, and then attempt to determine the upside. How an investment performs in down markets is more important to us than how it performs when the markets are moving forward.

This doesn't prevent loss, certainly, and we have made mistakes in the past. We will likely make them in the future. But, we have found that most investors are more focused on how much money they can make. They tend not to look at how much money they can lose.

2. Income

Income is important to us. It becomes more important as time goes on. The impact of dividends and dividend reinvestment cannot be understated. Most brokerage firms do not reinvest stock dividends, largely so they can get the benefit of money market fees on dividends paid to a brokerage account. However, all long-term investment analysis shows the vital importance of dividends and dividend reinvestment to the growth of positions and portfolios. Beyond that, we love dividends for the (near) certainty that they provide. We call this the Janet Jackson Syndrome (or, "What have you done for me lately?")

In short, income into an account is vital to its ability to generate long-term returns. That does not mean that we exclusively seek dividends in all of our investments. Many are growth-oriented and pay lower, or no, dividends. But, dividend and yield is an important part of our analysis.

NOTE: Except for our retired clients, nearly all positions held under our management are coded for reinvestment. There are very few exceptions to this rule.

3. Tenure

We believe that manager tenure is important. We like to invest with folks who have been around the block (and have lived through various market cycles). We like firms with longevity (Dodge and Cox, Vanguard, Sequoia, Longleaf Partners for example) because we believe that the culture of longevity is important to investment success.

It's not a deal-breaker, but it's something we look for.

4. Fees

Clearly, our fees have an impact on performance. And, it is our long-term goal to lower fees as we grow. In the meantime, we try to choose funds that have fees that are below industry average, at least, and hopefully well below industry average. That's why Vanguard Funds play a role in most (if not all) of our client accounts, and why other fund families also show up with certain frequency (Dodge and Cox, Franklin, American Funds Advisor Class). Even when fees are higher, we try to understand why, and will only take a position once we have justified the higher fee structure. So, for example, our emerging markets funds, while higher in cost, still tend to have lower average costs than other funds in their peer group.

5. Turnover

We are buy-and-hold investors, and we tend to like mutual funds with the same philosophy. Only a handful of investors are able to survive using trading strategies, but many of the best long-term investors tend toward long-term holding periods. Our view is always a long-term view, and we gravitate towards managers that take the same stance.

6. Long-Term Performance

We are more interested in how a fund, or equity, has performed over time, than we are in how it has performed last month. Clearly, we must pay attention to short-term performance, and we do, but it's how a fund has performed over five, ten and fifteen years (and since inception) that tends to catch our attention. We tell our clients to keep a long-term view, and we look at longevity when choosing our funds.

7. Captain Capital Gains is Your Friend

We are, however, not afraid to take profit. In fact, we believe it is our job to do so. We won't sell the moment we achieve a gain, but we will be looking at profiting from outsized, or even healthy gains, where possible.

That being said, we don't always have a target gain in mind. As Justice Stewart Potter said, when describing pornography, "I know it when I see it." The same is true when it comes to profit.

When we bought our Utilities Mutual Fund, we made the buy in search of yield, relative safety and perceived value. Utilities, after all, had been hammered post Enron, post WorldCom and post California Energy Crisis.

We were not, therefore, seeking thirty percent (or more) gains. We were seeking solid, if unexciting results. When we got thirty percent gains (and more), we took profit. When an investment exceeds expectations, we will always sell some of that profit, in order to realize some gain.

When we bought our Energy Mutual Fund, we were expecting healthy gains, based on perceived value and increasing demand. So, we didn't sell at thirty percent, but we sure as heck invoked gains higher than that. Even then, the gains we received were outsized relative to our expectations, and when that happens, we will always take profit. (These are examples only. Past performance does not indicate future returns. Drawing any assumption from these examples beyond the point of the examples is jumping to the wrong conclusion - and to be clear, there is only one point being made here, and that is that we will take profit if if that profit meets or exceeds expectations. This is not a recommendation for either utility or energy exposure. This is not an advertisement for performance. Do not jump to ANY conclusion other than if we get a good or great profit, we try to take some of that profit, because it's the prudent thing to do. Take a deep breathe - Rule Number Ten.)

Rule Number One of the Financial Avengers is this: Greed is the Enemy of Financial Freedom. We must not be too greedy when it comes to gains, and we must learn the lessons of The Great Bubble and The Great Recession, by invoking gains regularly and in a disciplined manner. If we are prudent, we will always leave some shares on the table, in order to keep compounding, so the position continues to succeed. But, that same prudence will also mean that if the crap hits the fan, we will have, at least, preserved some capital (or our original investment) and allocated it elsewhere.

8. Culture Counts

We try to find companies and fund complexes with values, particularly if those values are shared by us.

Values assessment is an imperfect art, but we learn a lot with research, review of annual reports, history, news reports and Morningstar. We like Longleaf and Sequoia, because their communications are direct, self-deprecating, self-critical and informative, and their culture is unique. We like Berkshire Hathaway because we learn so much about finance, investing and life from reading the annual report.

Put another way, we avoid fund companies and equities that have ill-served their clients or disrespected their client capital. While we believe in second chances in life, we do not believe in second chances when it comes to our Agents' capital. If a fund company (or publicly traded company) has been found to be fraudulent or has played fast and loose with the rules, we will avoid them – forever. We view such instances as a failure of culture. (Rule Number Five: All Capital is Precious.)

9. Why Shouldn't We Invest

Which leads us to another principal and one of import. We are a small shop with limited resources. Yet the investment universe is large and complex, with thousands and thousands of options.

Therefore, our job is to narrow the field to a manageable few. So, the first question we always ask is this: Why shouldn't we invest in this company/fund?

If we can find a reason, it gets knocked off the list. The more we can knock off the list, the more manageable the list becomes and the more focused our research efforts on those options.

Again, this is another question that most investors don't ask. Most folks are looking for a reason to invest. We, however, are looking for a reason not to. If we find one – just one – we move on.

10. Ongoing Savings and Dollar Cost Averaging

We encourage - and in most cases, require - ongoing savings to accounts under our management. (There are exceptions to this rule, of course, if a client is retired and in withdrawal stage, or if a client has accumulated 'enough' based on our joint analysis of their overall situation.)

Such savings allows us to employ dollar cost averaging. We recognize that dollar cost averaging does not guarantee against loss. However, recurrent and consistent inflows do allow us to buy into market declines, and attempt to seek the best average cost per share. Finally, the impact of ongoing savings on underlying account performance can be significant. Savings, in our view, is the key to any successful investment plan.

Additionally, for new clients, we tend not to invest 100% of their accounts immediately. We invest gradually, and over time, attempting to be prudent with new capital.

11. Warren Buffett is Right

On just about everything. And, when he's not, he admits it.

We learn a lot from Warren Buffett and although we would never deign to stipulate equal skill or intelligence, we do believe that he can guide most investors, including us.

So, we tend to be value investors, when it comes to stocks, even though we have been known to buy growth, from time to time. We would rather buy when everyone is selling than buy when everyone is buying.

We love a sale – in life and in the market - and we will try to maximize a sale, no matter how uncomfortable that may be in the short-term (and it is often very uncomfortable). We also seek mutual funds with a similar value stance, even if they define value with a twist (as Primecap Mangement does). Our favorite fund investors are value investors.

We try to understand our core competencies and stick to them. If we do buy a stock, it will likely be a business that we understand. We're simple that way. And, if we don't understand the business, we will likely avoid it. And, as time goes on, we recognize that our stock-picking skills don't always match the stock-picking skills of our favorite mutual funds managers, so our stock selection is limited to companies with extremely strong balance sheets and competitive advantage.

When we choose sector funds – and we do – we try to stay focused in sectors where we believe we have experience and understanding. If we don't understand it, we generally won't buy it.

Beyond that, we almost always tend to avoid too much risk, fringe strategies or investments outside our core competency. Sometimes this causes client ire, but that is the price of understanding your limits (and maintaining our fiduciary obligation). Therefore, we avoid margin, we avoid shorts (but wear them in the summertime), we stay away from currency bets, we are not commodities experts, we tend to avoid hard assets (though we love jewelry), and for now we don't do futures, options, derivatives, straddles, spreads, puts and calls.

We understand our limitations and do our best to stick with what we know. And, if we don't know it, we'll say so.

There is one more point that we feel is important: We eat our own cooking. What that means, specifically, is this: Where possible, if you own a position, we own it, too. We absolutely have the courage of our convictions and we invest along with you. This will never change.

More importantly, when we bail out of a position, which we sometimes do, The Captain is always the last to leave the ship.

Practically, what this means is that we do our best to maintain the exact same positions that we deliver to our clients. What it also means is that if we are selling, we sell last in our own accounts, when possible.

There are many exceptions to this particular rule. First, we are not eighty years old and risk averse, as some of our clients are and, therefore, our personal portfolios do NOT look like the portfolio of an eighty year old risk averse Financial Avenger Agent. But, if that Agent has a bond mutual fund position, we very likely own it, too (even if our position is substantially smaller than hers).

Second, we cannot own *everything* that our Agents own - doing so would make our portfolios sprawling and too complex. So, if a Financial Avenger Agent receives a substantial position in a technology stock, for example, through a stock option plan, we very likely *won't* replicate that position in our own accounts.

Often, an Agent may request a specific fund or stock position for their account. If, after research, we deem these to be suitable investments, we will purchase these investments in their accounts. We will not, however, replicate that position in our own accounts. So, to be clear, this rule applies to Financial Avengers *Core Holdings*, not to every position held by every Financial Avenger Agent.

Third, our lives and our goals are different from our Financial Avenger Agents, so there may be times when we have to sell to cash (for home purchases or repairs, for example) in which case we may reduce our exposure, from time to time, to core holdings. But, when that occurs, we will always build our accounts back up again (we are relentless savers) using Financial Avengers Core Holdings.

Fourth, we may own some positions that our Agents do NOT own, either because we are 'test-driving' an individual equity or mutual fund, or because we tend to have higher risk tolerance than our Agents. (NOTE: Even so, we still do not participate in margin, options, puts, calls and exotic strategies in our personal accounts and never will. There are enough ways to invest using the old-fashioned approach. We do not need or want too much risk in our lives or portfolios.)

Finally, we are not as wealthy as many of our Financial Avengers Agents (though we keep saving, every day, just as we urge them to do so). As such, our assets cannot replicate theirs – they are simply too large relative to our own personal net worth.

So, there are many exceptions to this rule. However, and this is very important, it is generally true that if we recommend a fund, or if we buy a fund or individual stock in a client account, we own the same position in our personal accounts. This is a core value at Financial Avengers.

We eat our own cooking. We invest alongside you. If you are experiencing declines in a position, we very likely are too, just as the reverse is true with gains. This will never change - as long as you understand the exceptions outlined above, and as long as you understand that replicating precise portfolios is impossible.

* * * * *

There's more. There's always more. We research. We read. We use Morningstar and S&P and Argus and more. We subscribe to and read Outstanding Investor Digest. We read The Wall Street Journal and The New York Times and The Washington Post. We read economic commentary and blogs. We save articles. We watch trends. We research behavioral finance.

We receive monthly performance disks (again, from Morningstar) that we load avidly and review. We know our top holdings and we read about them frequently (and sometimes obsessively). We keep an eye on our global portfolio (and client portfolios, of course).

We read annual reports. We watch CNBC. We use Yahoo and Google Finance and CNBC Online. Clients send us articles and ideas, and we learn from our clients. We learn about their publicly-traded employers, which often provides greater insight than an analyst report.

We inherit positions that we have never heard of, learn about them, and sometimes fall in love.

We also read about politics, fashion, arts, sports and pop culture. Understanding the world we live in is important to creating and maintaining an investment thesis, and our focus will never be entirely on the markets, the indices and the economy - it will always encompass the world beyond finance.

We pay attention to the world around us. We notice when there is less traffic on the bridge, when there are vacancies at street level, when building is booming, when milk prices rise, when our heating bills are static, when the BART is crowded, when our building is vacant, when our building is full, when tenants are leaving, when tenants are coming, when . . . you get our drift. We study the economy by paying attention to the world around us.

We are contrarians by nature. If everyone says that oil prices (or real estate prices) will rise, we wonder if they will fall. And, then we research that possibility. We founded Financial Avengers in the Crucible of the Great Bubble, and because of that, we have a healthy dose of skepticism about most things.

We are curious and cautious and still, we make mistakes.

We do not employ strategies which involve significant or unusual risks.

The material risks involved in our method and analysis is simply this: we might be wrong. If we are wrong, there could be a material loss, including loss of principal.

We primarily recommend mutual funds. The material risks of mutual fund investment involve possible loss of principal, including total loss of principal (though total loss of principal in mutual fund investment is extremely rare.)

During the recent financial crisis, some funds in client portfolios declined significantly. In some cases those declines were 40% or more. Certain sector funds, including financial services sector funds, declined more, sometimes upward to 60% or more.

For individual stock investment, the material risks include loss of principal invested. Again, using the recent financial crisis as an example, more than a few financial services companies went bankrupt - and their stock effectively declined to zero. Other financial (and some non-financial stocks) lost as much as 70% to 90% of their value. Most of these stocks were not held in our client accounts, however, we did have exposure to General Electric, Bank of America and Citigroup, all of which suffered significant declines during the crisis.

One note on such declines: we are not averse to selling an entire position, and often do if the underlying investment thesis has changed entirely, or considerably. It is true that when we buy, we see ourselves as owners, and want to be in ownership partnership with management for a long time, if not forever. However, such a stance does not mean we will hold on to an investment at all costs. When the time comes, and if the thesis changes - or if events change radically - we know how to head for the exits.

All investments involve different degrees of risk. You should be aware of your risk tolerance level and financial situation at all times. We cannot guarantee the successful performance of an investment and we are expressly prohibited from guaranteeing accounts against losses arising from market conditions.

ITEM 9: DISCIPLINARY INFORMATION

Registered investment advisors are required to disclose any material facts regarding any legal or disciplinary actions that would be material to your evaluation of the investment advisor and each investment advisor representative providing investment advice to you. We have no information of this type to report.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

As a registered investment advisor, we are required to disclose when we, or any of our principals, have any other financial industry affiliations. Neither FAI nor either of our principals has any affiliations with related financial industry entities. Mr. Swift is registered as an agent with various non-related insurance companies. Disclosure regarding this affiliation and the related conflict of interest is provided in “Item 5: Fees and Compensation.”

ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Code of Ethics

We have adopted a set of enforceable guidelines (Code of Ethics), which describes unacceptable conduct by FAI and our associated persons. Summarized, this Code of Ethics prohibits us from:

- placing our interests before yours,
- using non public information gathered when providing services to you for our own gains, or
- engaging in any act, practice or course of business that is, or might be considered, fraudulent, deceptive, manipulative, or in violation of any applicable law, rule or regulation of a governmental agency.

Please contact us if you would like to receive a full copy of this Code of Ethics.

Personal Trading for Associated Persons

We may buy or sell some of the same securities for you that we already hold in our personal account. We may also buy for our personal account some of the same securities that you already hold in your account. It is our policy not to permit our associated persons (or their immediate relatives) to trade in a way that takes advantage of price movements caused by your transactions.

We may restrict trading for a particular security for our accounts or those of our associated person if there is a pending trade in that security in a client account. Trades for our accounts (and those of our associated persons) will be placed as part of a block trade with client trades, or individually after client trades have been completed. Additional information about block trades is provided in the Aggregation of Orders section of “Item 12: Brokerage Practices.” When our trades are placed after our client trades, we may receive a better or worse price than that received by the client.

FAI and its associated persons may purchase or sell specific securities for their own account based on personal investment considerations without regard to whether the purchase or sale of such security is appropriate for clients.

All persons associated with us are required to report all personal securities transactions to us quarterly.

ITEM 12: BROKERAGE PRACTICES

The Custodian and Brokers We Use

We do not maintain custody of your assets that we manage, although we may be deemed to have custody of your assets if you give us authority to withdraw assets from your account (see “Item 15: Custody”). Your assets must be maintained in an account at a “qualified custodian,” generally a broker/dealer or bank. We require that our clients use Charles Schwab & Co., Inc. (“Schwab”), a registered broker/dealer, member SIPC, as the qualified custodian. We are independently owned and operated and are not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when we instruct them to. While we require that you use Schwab as custodian/broker, you will decide whether to do so and will open your account with Schwab by entering into an account agreement directly with them. We do not open the account for you, although we may assist you in doing so. If you do not wish to place your assets with Schwab, then we cannot manage your account.

Not all advisors require their clients to use a particular broker-dealer or other custodian selected by the advisor. Even though your account is maintained at Schwab, we can still use other brokers to execute trades for your account as described below (see “Your Brokerage and Custody Costs”).

How We Select Brokers/Custodians

We seek to use a custodian/broker who will hold your assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds (ETFs), etc.)
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength, and stability
- Prior service to us and our other clients
- Availability of other products and services that benefit us, as discussed below (see “*Products and Services Available to Us From Schwab*”)
- Social policies including non-discrimination policies, community involvement, environmental policies and other social initiatives.

Your Brokerage and Custody Costs

For our clients' accounts that Schwab maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. In addition to commissions, Schwab charges you a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, we have Schwab execute most trades for your account. We have determined that having Schwab execute most trades is consistent with our duty to seek "best execution" of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see "*How We Select Brokers/Custodians*").

Products and Services Available to Us From Schwab

Schwab Advisor Services™ (formerly called Schwab Institutional®) is Schwab's business serving independent investment advisory firms like us. They provide Financial Avengers and our clients with access to its institutional brokerage—trading, custody, reporting, and related services—many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. Schwab's support services generally are available on an unsolicited basis (we don't have to request them) and at no charge to us. Following is a more detailed description of Schwab's support services:

Services That Benefit You.

Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

Services That May Not Directly Benefit You.

Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements)
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate payment of our fees from our clients' accounts
- Assist with back-office functions, recordkeeping, and client reporting

Services That Generally Benefit Only Us.

Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits, such as occasional business entertainment of our personnel.

We are active consumers of many of these Schwab services. We use Schwab online account management resources on a daily basis to facilitate management of our client accounts. Specifically, we utilize trading tools, "move-money" tools, historical account data, pricing services, research (including third-party research), Schwab staff support, fee debiting services and reporting tools.

We tend not to use Schwab business support services extensively. We do participate in support services related to compliance responsibilities, and periodically attend events focusing on economic outlook, investment and other areas of interest. However, we believe that it is in our responsibility to develop and expand our business enterprise, and if we utilize outside resources they will be selected based on our unique needs and unique business model. That being said, we reserve the right to access any and all such services, should the need arise, and should we believe they serve our interests and the interest of our Agents.

Aggregation of Orders

There are occasions on which portfolio transactions will be executed as part of concurrent authorizations to purchase or sell the same security for another client or one or more of our associated persons.

We may choose to block (aggregate) trades for your account with those of other client accounts and personal accounts of persons associated with FAI. When we place a block trade, all participants included in the block receive the same price per share on the trade. The price is calculated by averaging the price of all of the shares traded. Due to the averaging of price over all of the participating accounts, aggregated trades could be either advantageous or disadvantageous. Commission costs are not averaged. You will pay the same commission whether your trade is placed as part of a block or on an individual basis. The objective of the aggregated orders will be to allocate the executions in a manner that is deemed equitable to the accounts involved.

Soft Dollars

"Soft dollars" are typically generated when an investment advisor enters into an agreement with an executing broker to receive a portion of the commissions generated by the advisor's client trades. The soft dollars are allocated to the investment advisor and can then be used to purchase items or services.

The investment advisor has a fiduciary duty to its clients to obtain best execution, on an overall basis, for any securities transactions.

We do not use soft dollars as described above. The SEC recently changed the wording of certain questions on the Form ADV and has indirectly changed the definition of soft dollars. Due to the new wording, the receipt of goods and/or services from a third party in connection with providing advice to clients could be seen as “soft dollars.” The additional services we receive from Schwab, as disclosed in the section entitled “Products and Services Available to Us From Schwab” above, would fall under this description of soft dollars.

ITEM 13: REVIEW OF ACCOUNTS

Account Review

On a daily basis we review, in order, a limited number of client accounts. This review is part of our ongoing trading analysis, where we are taking any number of actions: adding new positions; removing positions where the investment thesis has changed; rebalancing; profit-taking; etc.

This account-by-account review occurs daily, but usually involves no less than five and no more than twenty-five/thirty accounts, depending on asset allocation requirements/investment decisions being made at any given time. To be clear, some number of client accounts are reviewed on a daily basis.

On at least a quarterly, and no less than a semi-annual basis, we conduct a more thorough account review. Such reviews could be triggered by multiple factors:

- Ongoing buying/selling/reallocating/rebalancing, which occurs on a constant basis. Client accounts are reviewed in sequence, and the sequence alters semi-annually.
- Substantive changes in client circumstances, including new inflows, rollovers, inheritance, withdrawals, tax season deposits, etc.
- Broader investment theme calls - so, for example, if we are adding a new position to our accounts, because of concerns about inflation, such a broad call would require a per-client/per-account review, to determine overall exposure and purchase of new positions (or sale of old positions)
- Agent request – if a client has a question of any kind related to their account;
- Other Agent requests - so, for example, if an Agent's work-place 401K plan is undergoing changes, and if their 401K must be entirely reallocated, this might also trigger an account review.

We try to conduct reviews of financial plans annually. This is usually a face-to-face meeting in which we review financial goals, account performance, growth of net worth, workplace plans, etc. All reviews are performed by Thomas Swift, Captain.

Reports to Agents

At least annually, but usually more frequently, we provide the following reports to Agents:

- Agent account statements (showing position analysis), performance report (showing IRR and TWR), Capital Flows and Valuations Report and net-inflows report.
- Clients may also be given income reports, unrealized gains and losses and other portfolio statistic reports, if they are requested or if we deem them important.
- On an annual basis clients are also provided management fee reports and capital gains and losses reports, to assist with tax filings.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

We receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above (see “Item 12: Brokerage Practices”). The availability to us of Schwab’s products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

We do not directly or indirectly compensate anyone for client referrals.

ITEM 15: CUSTODY

When you give us authority to deduct our fees directly from your separately managed account, we have custody of those assets. In order to avoid additional regulatory requirements in these cases, we follow the procedures outlined in “Item 5: Fees and Compensation.” Schwab maintains actual custody of your assets. You will receive account statements directly from Schwab at least quarterly. They will be sent to the email or postal mailing address you provided to Schwab. You should carefully review those statements promptly when you receive them. We also urge you to compare Schwab’s account statements to the periodic portfolio reports you will receive from us.

ITEM 16: INVESTMENT DISCRETION

As one of the conditions of managing your account, you are required to provide discretionary authority for us to manage your assets. Discretionary authority means that you are giving us a limited power of attorney to place trades on your behalf. This limited power of attorney does not allow us to withdraw money from your account, other than advisory fees if you agree to give us that authority.

You grant us discretionary authority by completing the following items:

- Sign a contract with us that provides a limited power of attorney for us to place trades on your behalf. Any limitations to the trading authorization will be added to this agreement.
- Provide us with discretionary authority on the new account forms that are submitted to the broker/dealer acting as custodian for your account(s).

We no longer accept clients who require restrictions to our discretionary authority. Per above, we can manage within certain restrictions (social screens, etc.), but we do not accept clients who restrict our discretionary authority.

ITEM 17: VOTING CLIENT SECURITIES

As a matter of policy and as a fiduciary to our clients, we have responsibility for voting proxies for your portfolio securities consistent with your best economic interests. We maintain written policies and procedures as to the handling, research, voting and reporting of proxy voting and make appropriate disclosures about our proxy policies and practices. Our policy and practice includes the responsibility to monitor corporate actions, receive and vote client proxies and disclose any potential conflicts of interest as well as making information available to clients about the voting of proxies for their portfolio securities and maintaining relevant and required records. You may not provide direction regarding any particular proxy solicitation.

You may elect to retain the authority to vote the proxies yourself. Upon request we will provide guidance about voting a specific proxy solicitation. You will receive proxies and other related paperwork directly from your custodian.

You may request a copy of our Proxy Policies and Procedures and/or information about how a proxy was voted at any time.

ITEM 18: FINANCIAL INFORMATION

We do not charge or solicit pre-payment of more than \$1,200 in fees per client six months or more in advance. We have never filed for bankruptcy and are not aware of any financial conditions that are reasonably likely to impair our ability to meet our contractual obligations to clients.

BROCHURE SUPPLEMENT
ITEM 1: COVER SHEET

Thomas W. Swift

Financial Avengers, Inc.
235 Montgomery Street, Suite 724
San Francisco, CA 94104
(415) 773-2174

January 29, 2015

This Brochure Supplement provides information about Thomas W. Swift that supplements the Financial Avengers, Inc. Brochure. You should have received a copy of that Brochure. Please contact Thomas Swift, Captain at (415) 773-2174 or avengers@financialavengers.com if you did not receive Financial Avengers, Inc.'s Brochure or if you have any questions about the content of this supplement.

Additional information about Thomas W. Swift is available on the SEC's website at www.adviserinfo.sec.gov.

ITEM 2: EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Thomas W. Swift was born in 1962. He received a BS in Speech from Northwestern University in 1984.

Employment Background

Employment Dates: 8/2000 - Present

Firm Name: Financial Avengers, Inc.

Type of Business: Investment Advisor

Job Title & Duties: Captain.

Employment Dates: 3/2010 - Present

Firm Name: Tom Swift & His Amazing Productions, LLC

Type of Business: Production Company

Job Title & Duties: Title: Tom Swift

Duties: Creation and development of original content for entertainment and educational purposes, including plays, books, scripts, etc.

ITEM 3: DISCIPLINARY INFORMATION

Registered investment advisors are required to disclose any material facts regarding any legal or disciplinary actions that would be material to your evaluation of each investment advisor representative providing investment advice to you. There is no information of this type to report.

ITEM 4: OTHER BUSINESS ACTIVITIES

Thomas Swift is also affiliated with various insurance agencies. If you elect to implement insurance recommendations through Mr. Swift, he will receive the normal and customary commissions. In these situations, a conflict of interest exists between the interests of the client and Mr. Swift. You are under no obligation to implement insurance recommendations through Mr. Swift.

Mr. Swift is a professional writer of plays, scripts, books and financial planning columns and spends approximately 20% of his time doing so. He also spends about 10% of his time on Tom Swift & His Amazing Productions LLC as a producer. This includes development and production of content – financial and otherwise.

ITEM 5: ADDITIONAL COMPENSATION

Mr. Swift does not receive any economic benefit from any non-client for providing advisory services, other than the insurance services disclosed in Item 4 above.

ITEM 6: SUPERVISION

Mr. Tom Swift, Captain, is responsible for the supervision of all personnel. His telephone number is (415) 773-2174.