
ITEM 1 – COVER PAGE



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Part 2A Brochure

This brochure provides information about the qualifications and business practices of Lathram Financial Group, LLC. If you have any questions about the contents of this brochure, please contact us at 303-694-4800. 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. Lathram Financial Group, LLC. is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Additional information about Lathram Financial Group, LLC. is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. The CRD number for Lathram Financial Group, LLC. is 172358.

ITEM 2 - MATERIAL CHANGES

Summary of Material Changes

Set for below is a summary of material changes in this brochure from our last annual update. Our last annual update was dated September 26, 2014.

We switched to a state registered investment adviser. Requirements for state registered advisers have been added.

If you would like another copy of this Brochure, please download it from the SEC Website as indicated above or you may contact our CCO Debbie Lathram at 303-694-4800 or debbie@lathramfinancial.com.

We encourage you to read this document in its entirety.

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ITEM 4 - ADVISORY BUSINESS

This Disclosure document is being offered to you by Lathram Financial Group, LLC. ("Lathram Financial Group") in connection with the investment advisory services we provide. It discloses information about the services we provide and the manner in which those services are made available to you, the client.

We are a wealth management firm located in Denver Colorado, specializing in holistic investment advisory services for families, small business and corporate executives. The firm was established by Craig Lathram, the firm's principal owner, in 2008 and became a registered investment adviser in 2014.

We are committed to helping clients build, manage, and preserve their wealth, and to provide assistance to clients to help achieve their stated financial goals. We may offer an initial complimentary meeting upon our discretion; however, investment advisory services are initiated only after you and Lathram Financial Group execute an engagement letter or client agreement.

Investment Management and Supervision Services

We offer discretionary investment management and investment supervisory services for a fee based on a percentage of your assets under management. These services include investment analysis, allocation of investments, quarterly portfolio statements and ongoing monitoring services for the portfolio.

We determine your portfolio composition based on your needs, portfolio restrictions, if any, financial goals and risk tolerances. We will work with you to obtain necessary information regarding your financial condition, investment objectives, liquidity requirements, risk tolerance, time horizons, and any restrictions on investing. This enables us to determine the portfolio best suited for your investment objective and needs.

In performing our services, we shall not be required to verify any information received from you or from other professionals. If you request, we may recommend and/or engage the services of other professionals for implementation purposes. You are under no obligation to engage the services of any such recommended professional.

Once we have determined the types of investments to be included in your portfolio, and allocated them, we will provide ongoing portfolio review and management services. This approach requires us to review your portfolio at least quarterly.

We will rebalance the portfolio, as we deem appropriate, to meet your financial objectives. We will trade these portfolios and rebalance them on a discretionary basis. Our advisory services are tailored to meet your individual needs. You will have the ability to leave standing instructions with us to refrain from investing in particular industries or invest in limited amounts of securities.

While our advisory services are tailored to you as an individual, when using mutual funds this multi-fund manager approach makes it difficult for us to ensure that your portfolio will not invest in a particular industry or security. However, we are happy to discuss your preferences regarding socially conscious investment concerns and, we'll try as much as possible, to accommodate them.

In all cases, you have a direct and beneficial interest in your securities, rather than an undivided interest in a pool of securities. We do not and will not have custody of your funds or securities. We do have limited authority to direct the Custodian to deduct investment advisory fees, but only with the appropriate authorization from you.

You are advised and are expected to understand that our past performance is not a guarantee of future results. Certain market and economic risks exist that may adversely affect an account's performance. This could result in capital losses in your account.

For assets held in a 401k account, we may offer non-discretionary management. In these accounts the client retains the rights to direct the investment. Our supervision and management shall be limited to recommending the potential purchase of investments for your account or sale of investments in your account, which in each case we believe in good faith would be appropriate for your account in light of the agreed-upon investment objectives and restrictions. Client acknowledges that Client is solely responsible for all purchases and sales made in the Client's Account.

Financial Planning Services

Financial advisory services provided by us may include the analysis of your situation and assistance in identifying and implementing appropriate financial planning and investment management techniques to help you meet your specific financial objectives. Such services may include a written financial analysis and specific or general investment and/or planning recommendations.

In preparing your financial plan, we may address five areas of financial planning. These include: financial planning, money management, tax, legal and insurance orchestration.

Our specific services in preparing your plan may include:

- Review and clarification of your financial goals.
- Assess of your overall financial position including cash flow, balance sheet, investment strategy, risk management and estate planning.
- Create of a unique plan for each goal you have including personal and business real estate, education, retirement or financial independence, charitable giving, estate planning, business succession and other personal goals.
- Develop of a goal oriented investment plan around tax suggestions, asset allocation, expenses, risk and liquidity factors for each goal. This includes IRA and qualified plans, taxable and trust accounts that require special attention.

- Design a complete risk management plan including risk tolerance, risk avoidance, mitigation and transfer, including liquidity as well as various insurance and possible company benefits.
- Craft and implement, in conjunction with your estate and/or corporate attorneys as tax advisor, an estate plan to provide for you and/or your heirs in the event of an incapacity or death.
- Generate a retirement plan, risk management plan and succession plan for your business, if applicable.

Retirement Plan Advisory Services

Retirement Plan Advisory Services consists of assisting employer plan sponsors establish, monitor and review their company's retirement plan. As the needs of the plan sponsor dictate, areas of advising could include: investment selection and monitoring, plan structure, and participant education.

We will establish your plan's needs and objectives through an initial meeting to collect data, review plan information, and assist you in developing or updating the plan's provisions. Ongoing services to you may include recommendations regarding the selection and review of unaffiliated mutual funds that, in our judgment, are suitable for plan assets for you to be invested. We periodically review the investment options you select and make recommendations to keep or replace plan investment options as appropriate. We perform a comprehensive review of potential service providers or vendors and will assist you with converting from your incumbent service provider to a new service provider selected by you. You are under no obligation to follow the recommendations we make.

Services available under an Investment Advisory Agreement permit us to provide financial education to your plan participants. The scope of education provided to participants at your request will not constitute "investment advice" within the meaning of ERISA and participant education will relate to general principles for investing and information about the investment options currently in the plan. We may also participate in initial enrollment meetings and periodic workshops and enrollment meetings for new participants as we agree upon.

All Retirement Plan Advisory Services shall be in compliance with any applicable Federal and State law(s) regulating the services provided by our Agreement. This section applies to an Account that is a pension or other employee benefit plan (a "Plan") governed by the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). If your Account is part of a Plan and we accept appointments to provide our services to your Account, we acknowledge that we are a fiduciary within the meaning of Section 3(21) of ERISA. You represent that (i) Our appointment and services are consistent with the Plan documents, (ii) You have furnished us true and complete copies of all documents establishing and governing the Plan and evidencing your authority to retain our firm. You further represent that you will promptly furnish us with any amendments to the Plan, and you agree that, if any amendment affects our rights or obligations, such amendment will be binding on us only with our prior written consent. If your Account contains only a part of

the assets of the Plan, you understand that we will have no responsibilities for the diversification of the Plan's investments, and we have no duty, responsibility or liability for the assets that are not in the account. If ERISA or other applicable law requires bonding with respect to the assets in your account, you will obtain and maintain at your expense bonding that satisfies this requirement and covers Lathram Financial and any of our affiliates.

Consulting Services

We also provide clients investment advice on a more limited basis on one or more isolated areas of concern such as estate planning, real estate, retirement planning, or any other specific topic. Additionally, we may provide advice on non-securities matters in connection with the rendering of estate planning, insurance, real estate, and/or annuity advice.

Wrap Fee Programs

We do not place client assets into a wrap fee program.

Assets

As of December 31, 2014, we have \$21,061,381 assets under discretionary management. We have \$49,155 non-discretionary assets under management.

ITEM 5 - FEES AND COMPENSATION

Investment Management Fees and Compensation

Lathram Financial Group charges a fee as compensation for providing Investment Management services on your account. These services include advisory and consulting services, trade entry, investment supervision, and other account maintenance activities. The custodian may charge custodial fees, transaction costs, redemption fees, retirement plan and administrative fees or commissions. See Additional Fees and Expenses below.

In addition, some mutual fund assets deposited in the account may have been subject to deferred sales charges and 12 (b) (1) fees and other mutual fund annual expenses as described in the fund's prospectus. These fees are independent of our fees and should be disclosed by the custodian or contained in each fund's prospectus. You should also note that fees for comparable services vary and lower fees for comparable services may be available from other sources.

The fees for accounts are based on an annual percentage of assets under management and are applied to the account asset value on a pro-rated basis, billed quarterly in advance. The initial fee will be based upon the date the account is accepted for management by

execution of the advisory agreement by Lathram Financial or when the assets are transferred through the last day of the current calendar quarter. For individual withdrawals greater than \$10,000, we will refund a portion of the fee for those assets that are withdrawn from their household of accounts during a quarter and charge retroactively for assets that are added to an account during a quarter. In such cases, the refund or charge will be calculated on a pro rata basis based on the number of days for which the assets were in the account. Thereafter, the fee will be based at each previous quarters month end. The market value will be determined as reported by the Custodian. Fees are assessed on all assets under management, including securities, cash and money market balances.

Our investment advisory fees shall not exceed 2.00%. The specific advisory fees are set forth in your Investment Advisory Agreement. Fees may vary based on the size of the account, complexity of the portfolio, extent of activity in the account or other reasons agreed upon by us and you as the client. In certain circumstances, our fees and the timing of the fees may be negotiated.

Advanced billing is done on a quarterly basis and is the primary way fees are assessed in advisory accounts. To calculate advanced billing Lathram Financial assumes a 360 day year and quarters lasting 90 days. Calculations are as follows:

$$(\text{Quarter End Value} \times \text{Advisory Fee}) / 360 \times 90 \text{ days} = \text{Advance Billing}$$

At our discretion, we may add (aggregate) asset amounts in accounts from your same household together to determine the advisory fee for all your accounts. We may do this, for example, where we also service accounts on behalf of your minor children, individual and joint accounts for a spouse, and/or other types of related accounts. This consolidation practice is designed to allow you the benefit of an increased asset total, which could potentially cause your account(s) to be assessed a reduced advisory fee based on the asset levels available in our fee schedule.

You authorize us to debit your account quarterly for our fee. The independent qualified custodian holding your funds and securities will debit your account directly for the advisory fee and pay that fee to us.

You will provide written authorization permitting the fees to be paid directly from your account held by the qualified custodian. Further, the qualified custodian agrees to deliver an account statement at least quarterly directly to you indicating all the amounts deducted from the account including our advisory fees. You are encouraged to review your account statements for accuracy.

Either Lathram Financial Group or you may terminate the management agreement, upon 30 day written notice to the other party. The management fee will be pro-rated to the date of termination, for the quarter in which the cancellation notice was given. Upon termination, you are responsible for monitoring the securities in your account, and we will have no further obligation to act or advise with respect to those assets.

Administrative Services Provided by Black Diamond Performance Reporting, LLC

We have contracted with Black Diamond Performance Reporting, LLC (referred to as “Black Diamond”) to utilize its technology platforms to support data reconciliation, performance reporting, fee calculation and billing, research, client database maintenance, quarterly performance evaluations, payable reports, web site administration, models, trading platforms, and other functions related to the administrative tasks of managing client accounts. Due to this arrangement, Black Diamond will have access to client accounts, but Black Diamond will not serve as an investment advisor to our clients. Lathram Financial Group and Black Diamond are non-affiliated companies. Black Diamond charges our firm an annual fee for each account administered by Black Diamond. The annual fee is paid from the portion of the management fee retained by us.

Financial Planning Fees

Your fee for the designated financial planning services is a fixed fee. Under a fixed fee arrangement, any fee will be agreed in advance of services being performed. The fee will be determined based on factors including the complexity of your financial situation, agreed upon deliverables, and whether or not you intend to implement any recommendations through your financial advisor.

The type of fee and -- in the case of a fixed fee -- the amount must be agreed to prior to the signing of the financial planning agreement. The agreed upon fee is due upon signing the agreement. We will complete work within six months of the date your fee is paid. If the work is not completed in such a time, we will refund your fee on a pro-rated basis. Initially first year fees range between \$500 and \$15,000. The fee is due at the time the client agreement is signed. Typically plans are completed within a week or two and will be presented to you within 90 days of the contract date, provided that all information needed to prepare the financial plan has been provided to LFG.

In no case are our fees based on, or related to, the performance of your funds or investments.

We will not require prepayment of more than \$1200 in fees per client, six (6) or more months in advance of providing any services.

You may terminate the financial planning agreement by providing us with written notice. Upon termination, fees will be prorated to the date of termination and any unearned portion of the fee will be refunded to you based on an hourly rate of \$200.00.

When both investment management or plan implementation and financial planning services are offered, there is a potential conflict of interest since there is an incentive for the party offering financial planning services to recommend products or services for which Lathram Financial Group, or a related party, may receive compensation. However, as a financial planning client, you are under no obligation to act upon any of our recommendations or effect the transaction(s) through us if you decide to follow the recommendations.

Consulting Services:

Your fee for general consulting services is a fixed fee. Under a fixed fee arrangement, any fee will be agreed upon in advance of services being performed. The fee will be determined based on factors of the consulting project and fully detailed in our agreement. The fee is payable upon signing the agreement,. We will complete work within six months of the date your fee is paid, in cases where you pay in advance. If the work is not completed in such a time, we will refund your fee on a pro-rated basis. The fixed fee typically ranges between \$2,500 and \$30,000.

You may terminate the consulting service agreement by providing us with written notice. Upon termination, fees will be prorated to the date of termination and any unearned portion of the fee will be refunded to you based on an hourly rate of \$200.00.

Client may request subsequent, additional, special reviews, or requests for consulting services. These additional services may be subject to an additional charge. Additional services will be based on an agreed annual fee of a percentage of assets under advisement or a fixed fee. Fees are disclosed in the Consulting Agreement, Exhibit B. The consulting fee shall be payable quarterly, in arrears, at the end of each calendar quarter. The first payment shall be prorated to cover the period from the date the Account is opened through the end of the next full calendar quarter. Thereafter, the Fee shall be calculated based on the Account value on the last business day of the preceding calendar quarter and shall be due upon receipt. The fee may be modified or changed by Adviser upon advance written notice to Client.

If you terminate the agreement prior to completion of the plan, any prepaid, unearned fees will be refunded promptly, and any earned, unpaid fees will be due and payable at an hourly rate of \$200.00.

Additional Fees and Expenses:

Lathram Financial may provide advice regarding investment company securities (mutual funds and ETFs). You should be aware that, in addition to the advisory fees you pay Lathram Financial each Investment Company also pays its own separate investment advisory fees and other expenses (internal management fees). Such fees and expenses are disclosed in the mutual fund's and ETF's prospectus. In addition, clients should be aware that mutual funds and ETFs may be purchased separately independent of the investment management services of Lathram Financial.

Advisory fees payable to us do not include all the fees you will pay when we purchase or sell securities for your Account(s). The following list of fees or expenses are what you may pay directly to third parties, whether a security is being purchased, sold or held in your Account(s) under our management.

- Brokerage commissions;
- Transaction fees;

- Exchange fees;
- SEC fees;
- Advisory fees and administrative fees charged by Mutual Funds (MF) and Exchange Traded Funds (ETFs)
- Advisory fees charged by sub-advisers (if any are used for your account);
- Custodial Fees;
- Deferred sales charges (on MF or annuities);
- Odd-Lot differentials;
- Transfer taxes;
- Wire transfer and electronic fund processing fees;
- Commissions or mark-ups / mark-downs on security transactions;

Please refer to the “Brokerage Practices” below for discussion of Lathram Financial Group’s brokerage practices.

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

We do not charge advisory fees on a share of the capital appreciation of the funds or securities in a client account (so-called performance based fees). Our advisory fee compensation is charged only as disclosed above in Fees and Compensation.

ITEM 7 - TYPES OF CLIENTS

We provide investment advice to individuals, high net worth individuals, small businesses, trusts and estates. Our initial account value is \$100,000; however, we may accept accounts for less than the minimum.

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

The method of analysis we utilize is both fundamental and technical. We gather our information for investment purposes from financial newspapers, magazines, research prepared by others, corporate rating services, company press releases, annual reports, prospectuses and filings with the Securities and Exchange Commission.

We determine how to allocate assets among the various management styles and models based on the investment strategy chosen, prevailing economic conditions, market trends, and our determination of where we are in the economic cycle. Potential risks and opportunities are weighed to determine how much exposure, if any, the model will have to each asset class.

Investment Philosophy

Our philosophy is that we should do what's best for our clients, not what's easiest for us, which is why we choose to manage our client's accounts. We believe in striving to take advantage of the ways markets are right, instead of trying to take advantage of the ways they might be wrong. We believe each asset owned by a client should have a certain purpose that is identified before the investment is purchased. We believe in passive oversight; monitored, not managed accounts; and low internal fees, unless something fundamental about the asset changes, or the life situation of the client changes, it should be left alone. We do not consider fluctuations in price alone to be a reason to buy or sell an asset, but rather the value of the asset in relation to its price. We predominately use mutual funds spread across broad asset classes similar to Morningstar models, but ETF's and individual bonds may be utilized where appropriate (typically municipal bonds or estate feature corporate bonds). Individual stocks are rarely purchased (occasional preferreds), but may be managed around to accommodate client desires or needs. In essence, we believe in maintaining all-weather portfolios built around sound principals - maintaining asset classes for when it's sunny and asset classes for when it's not.

In addition to our overall philosophy, we believe it is crucial to manage expectations. Thus, a comprehensive financial plan outlining a client's most important goals and timelines can be our most valuable guide. Our opinion is that the client's plan should be their blueprint. And, when it comes to risk, a risk tolerance questionnaire is always used. It is through blending those elements that a prudent asset allocation (stock vs bonds) can be surmised.

We believe that the majority of investor performance comes not from the assets they purchase, but from their behavior. We believe if a client lives within their means, has proper liquidity, is diversified, is prepared for the risks of life, and stays informed, that they can achieve strong performance by not participating in ludicrous buying and selling during times of volatility.

Investment Strategies

Our number one strategy is to take our time to develop a portfolio for our client that fits their needs. We spend as much time as the client needs to understand what they are doing, and then continuously follow up with the client to communicate and re-educate them on their investments, as frequently this is new information for them, and sometimes life gets in the way.

The foundation for the model portfolios we use to fulfill the sector allocations (which sectors of stocks and which sectors of bonds) of the overall asset allocation come from Dimensional Funds. They have quietly become one of the largest institutional asset managers in the country based on their high quality research by noted academics Fama and French (the Three Factor Model) and their advisory board.

We design a portfolio with liquidity in mind. We want to ensure a client has enough immediate cash to handle cash flow needs and emergencies. We then look at the portfolio balancing the need for growth with the need for immediate asset liquidity.

We design a portfolio for diversification – creating a proper asset allocation based upon the client’s risk tolerance. We design a portfolio with tax considerations in mind, although we are not tax advisors. With every asset, there are tax implications at the purchase and/or at the time of sale. We are well aware of those issues and keep them in mind as we design a portfolio to maximize our clients after tax use of those assets as much as we can.

Finally, we keep cost in mind as we design a portfolio. We are well aware of what high fees can do to a portfolio over time. Our goal is to add value to our client’s portfolio over time that you would not have gotten elsewhere or on your own. We find one of the easiest ways to do this is to keep fees reasonable. Wherever we can will negotiate fees on behalf of our clients.

Therefore, typically portfolios are rebalanced minimally 1-2 times annually based not only on allocations, but also considering any liquidity or tax needs (eg: RMD’s or short term gains to long term, for example).

Portfolio Manager Analysis

We examine the experience, expertise, investment philosophies and past performance of independent money managers in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We monitor the manager’s underlying holdings, strategies, concentrations and leverage as part of our overall periodic risk assessment.

A risk of investing with a money manager who has been successful in the past is that he/she may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a manager’s portfolio, there is also a risk that a portfolio manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our clients. Moreover, as we do not control the manager’s daily business and compliance operations, we may be unaware of the lack of internal controls necessary to prevent business, regulatory or reputational deficiencies.

You are advised and are expected to understand that our past performance is not a guarantee of future results and that certain market and economic risks exist that may adversely affect an account’s performance that could result in capital losses in your account.

Risks

Clients must understand that past performance is not indicative of future results. Therefore, current and prospective clients should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. Clients and prospective clients should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, we are unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. There are certain additional risks associated when investing in securities through Lathram Financial Group.

You should be aware that your account is subject to the following risks:

- **Stock Market Risk** – The value of securities in the portfolio will fluctuate and, as a result, the value may decline suddenly or over a sustained period of time.
- **Managed Portfolio Risk** – The manager's investment strategies or choice of specific securities may be unsuccessful and may cause the portfolio to incur losses.
- **Industry Risk** – The portfolio's investments could be concentrated within one industry or group of industries. Any factors detrimental to the performance of such industries will disproportionately impact your portfolio. Investments focused in a particular industry are subject to greater risk and are more greatly impacted by market volatility than less concentrated investments.
- **Non-U.S. Securities Risk** – Non-U.S. securities are subject to the risks of foreign currency fluctuations, generally higher volatility and lower liquidity than U.S. securities, less developed securities markets and economic systems and political and economic instability.
- **Emerging Markets Risk** – To the extent that your portfolio invests in issuers located in emerging markets, the risk may be heightened by political changes and changes in taxation or currency controls that could adversely affect the values of these investments. Emerging markets have been more volatile than the markets of developed countries with more mature economies.
- **Currency Risk** – The value of your portfolio's investments may fall as a result of changes in exchange rates.
- **Interest Rate Risk**. The value of fixed income securities rises or falls based on the underlying interest rate environment. If rates rise, the value of most fixed income securities could go down.
- **Credit Risk**. Most fixed income instruments are dependent on the underlying credit of the issuer. If we are wrong about the underlying financial strength of an issuer, we may purchase securities where the issuer is unable to meet its obligations. If this happens, your portfolio could sustain an unrealized or realized loss.
- **Inflation Risk**. Most fixed income instruments will sustain losses if inflation increases or the market anticipates increases in inflation. If we enter a period of

moderate or heavy inflation, the value of your fixed income securities could go down.

- **ETF and Mutual Fund Risk** – When we invest in an ETF or mutual fund for a client, the client will bear additional expenses based on its pro rata share of the ETFs or mutual fund’s operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. Clients may also incur brokerage costs when purchasing ETFs.
- **Management Risk** – Your investment with us varies with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our investment strategies do not produce the expected returns, the value of the investment will decrease.

ITEM 9 - DISCIPLINARY INFORMATION

Lathram Financial Group does not have any legal, financial or other “disciplinary” item to report.

ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Other Business Activities

IARs of Lathram Financial Group act as agents appointed with various life, disability or other insurance companies, and receive commissions, trails, or other compensation from the respective product sponsors and/or as a result of effecting insurance transactions for clients. However, clients should note that they are under no obligation to purchase any insurance products through Lathram Financial Group or its IAR. As a result, this creates a conflict of interest between your interests and Lathram Financial Group’s interest. A limited portion of the time he spends (generally less than 10%) is in connection with these activities and it represents less than 10% of our ongoing revenue. However, at all times Lathram Financial Group will act in your best interest and act as a fiduciary in carrying out services provided to you.

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

Lathram Financial Group and persons associated with us are allowed to invest for their own accounts or have a financial interest in the same securities or other investments that we recommend or acquire for your account, and may engage in transactions that are the same as or different than transactions recommended to or made for your account. This creates a conflict of interest. We recognize the fiduciary responsibility to place your

interests first and have established policies in this regard to avoid any potential conflicts of interest.

We have developed and implemented a Code of Ethics that sets forth standards of conduct expected of our advisory personnel to mitigate this conflict of interest. The Code of Ethics addresses, among other things, personal trading, gifts, the prohibition against the use of inside information and other situations where there is a possibility for conflicts of interest.

The Code of Ethics is designed to protect our clients by deterring misconduct, educate personnel regarding the firm's expectations and laws governing their conduct, remind personnel that they are in a position of trust and must act with complete propriety at all times, protect the reputation of Lathram Financial Group, guard against violation of the securities laws, and establish procedures for personnel to follow so that we may determine whether their personnel are complying with the firm's ethical principles.

We have established the following restrictions in order to ensure our firm's fiduciary responsibilities:

1. A director, officer or employee of Lathram Financial Group shall not buy or sell any securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No director, officer or employee of Lathram Financial Group shall prefer his or her own interest to that of the advisory client.
2. We maintain a list of all securities holdings for itself, and anyone associated with this advisory practice with access to advisory recommendations. These holdings are reviewed on a regular basis by an appropriate officer/individual of Lathram Financial Group.
3. We emphasize the unrestricted right of the client to decline to implement any advice rendered, except in situations where we are granted discretionary authority of the client's account.
4. We emphasize the unrestricted right of the client to select and choose any broker-dealer (except in situations where we are granted discretionary authority) he or she wishes.
5. We require that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
6. Any individual not in observance of the above may be subject to termination.

You may request a complete copy of our Code by contacting us at the address, telephone or email on the cover page of this Part 2; attn: Chief Compliance Officer.

ITEM 12 - BROKERAGE PRACTICES

We participate in the TD Ameritrade Institutional program. TD Ameritrade Institutional is a division of TD Ameritrade, Inc. ("TD Ameritrade") member FINRA/SIPC/NFA. TD Ameritrade is an independent and unaffiliated SEC-registered broker-dealer. TD Ameritrade offers to independent investment Advisors services which include custody of securities, trade execution, clearance and settlement of transactions. We may receive certain additional economic benefit "(Additional Services)" that may or may not be offered to any other independent investment Advisors participating in the program.

TD Ameritrade provides the Additional Services to Advisor in its sole discretion and at its own expense, and Advisor does not pay any fees to TD Ameritrade for the Additional Services. Advisor and TD Ameritrade have entered into a separate agreement ("Additional Services Addendum") to govern the terms of the provision of the Additional Services.

Advisor's receipt of Additional Services raises potential conflicts of interest. In providing Additional Services to Advisor, TD Ameritrade most likely considers the amount and profitability to TD Ameritrade of the assets in, and trades placed for, Advisor's Client accounts maintained with TD Ameritrade. TD Ameritrade has the right to terminate the Additional Services Addendum with Advisor, in its sole discretion, provided certain conditions are met. Consequently, in order to continue to obtain the Additional Services from TD Ameritrade, Advisor may have an incentive to recommend to its Clients that the assets under management by Advisor be held in custody with TD Ameritrade and to place transactions for Client accounts with TD Ameritrade. Advisor's receipt of Additional Services does not diminish its duty to act in the best interests of its Clients, including to seek best execution of trades for Client accounts.

In the event you request us to recommend a broker/dealer custodian for execution and/or custodial services, we generally recommend your account to be maintained at TD Ameritrade. We may recommend that you establish accounts with TD Ameritrade to maintain custody of your assets and to effect trades for your accounts. You are under no obligation to act upon any recommendations, and if you elect to act upon any recommendations, you are under no obligation to place the transactions through any broker/dealer we recommend. Our recommendation is generally based on the broker's cost and fees, skills, reputation, dependability and compatibility with the client. You may be able to obtain lower commissions and fees from other brokers and the value of products, research and services given to us is not a factor in determining the selection of broker/dealer or the reasonableness of their commissions.

We do not select or recommend broker/dealers based upon receiving client referrals from a broker/dealer or third party. We do not routinely recommend, request or require that you direct us to execute transaction through a specified broker dealer. Additionally, we typically do not permit you to direct brokerage.

We place trades for your account subject to our duty to seek best execution and other fiduciary duties. We may use broker-dealers other than your custodian to execute trades for your account, but this practice may result in additional costs to you so that we are

more likely to place trades through your custodian rather than other broker-dealers. Your custodian's execution quality may be different than other broker-dealers.

We will aggregate trades for ourselves or our associated persons with your trades, providing that the following conditions are met:

1. Our policy for the aggregation of transactions shall be fully disclosed separately to our existing clients (if any) and the broker-dealer(s) through which such transactions will be placed;
2. We will not aggregate transactions unless we believe that aggregation is consistent with our duty to seek the best execution (which includes the duty to seek best price) for you and is consistent with the terms of our investment advisory agreement with you for which trades are being aggregated.
3. No advisory client will be favored over any other client; each client that participates in an aggregated order will participate at the average share price for all our transactions in a given security on a given business day, with transaction costs based on each client's participation in the transaction;
4. We will prepare a written statement ("Allocation Statement") specifying the participating client accounts and how to allocate the order among those clients;
5. If the aggregated order is filled in its entirety, it will be allocated among clients in accordance with the allocation statement; if the order is partially filled, the accounts that did not receive the previous trade's positions should be "first in line" to receive the next allocation.
6. Notwithstanding the foregoing, the order may be allocated on a basis different from that specified in the Allocation Statement if all client accounts receive fair and equitable treatment and the reason for difference of allocation is explained in writing and is reviewed by our compliance officer. Our books and records will separately reflect, for each client account, the orders of which aggregated, the securities held by, and bought for that account.
7. We will receive no additional compensation or remuneration of any kind as a result of the proposed aggregation; and
8. Individual advice and treatment will be accorded to each advisory client.

As a matter of policy and practice, we do not utilize research, research-related products and other services obtained from broker-dealers, or third parties, on a soft dollar commission basis.

Trade Errors

We have implemented procedures designed to prevent trade errors; however, trade errors in client accounts cannot always be avoided. Consistent with our fiduciary duty, it is our policy to correct trade errors in a manner that is in the best interest of the client. In cases where the client causes the trade error, the client will be responsible for any loss resulting from the correction. Depending on the specific circumstances of the trade error, the client may not be able to receive any gains generated as a result of the error correction. In all situations where the client does not cause the trade error, the client will be made whole and we will absorb any loss resulting from the trade error if the error was caused

by the firm. If the error is caused by the broker-dealer, the broker-dealer will be responsible for covering all trade error costs. If an investment gain results from the correcting trade, the gain will be donated to charity. We will never benefit or profit from trade errors.

ITEM 13 - REVIEW OF ACCOUNTS

Account Reviews and Reviewers – Investment Supervisory Services

The underlying securities within the investment supervisory services are regularly monitored. These reviews will be made by Craig Lathram. Client meetings are typically held three times a year and are usually conducted in person or by telephone.

The purpose of all these reviews is to ensure that the investment plan continues to be implemented in a manner which matches your objectives and risk tolerances. More frequent reviews may be triggered by material changes in variables such as your individual circumstances, or the market, political or economic environment. You are urged to notify us of any changes in your personal circumstances.

Statements and Reports

Through an agreement with Black Diamond, Lathram Financial Group will have the ability to provide clients with Performance/Position summary reports upon request. Reports may also be provided at every client meeting. Communication to clients will be done on an as needed basis with a minimum of 1 contact per calendar quarter.

The Custodian will provide quarterly statements of the assets in your Account, the purchase date, the cost and the current market value for the period (or since the opening of the Account). The quarterly fee will be reflected on the periodic account statement provided by the Custodian. The Custodian will make available to you a statement no less than quarterly showing all amounts paid from the Account including all management fees paid by Custodian to LFG. In case of an error in such reports, you shall notify LFG promptly, and LFG will use good faith efforts to make corrections to such reports in a timely manner. Additionally, LFG will send the Client a notice of amount invoiced and billed as part of its quarterly reporting. You are urged to compare the reports provided by Lathram Financial Group against the account statements you receive directly from your account custodian.

Financial Planning/Consulting clients (i.e. those who have no assets under management with us in our advisory program) will receive no regular reports from the Firm.

ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION

As disclosed under Brokerage Practices, we participate in TD Ameritrade's institutional customer program and we may recommend TD Ameritrade to you for custody and brokerage services. There is no direct link between our participation in the program and the investment advice we give to our clients, although we receive economic benefits through our participation in the program that are typically not available to any other independent Investment Advisors participating in the program. . These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving Advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to us by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by some of our related persons. Some of the products and services made available by TD Ameritrade through the program may benefit us but may not benefit your account. These products or services may assist us in managing and administering your account, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help us manage and further develop our business enterprise. The benefits received by Lathram Financial Group or our personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of our fiduciary duties to clients, we endeavor at all times to put the interests of our clients first. You should be aware, however, that the receipt of economic benefits by Lathram Financial Group or our related persons in and of itself creates a potential conflict of interest and may indirectly influence our choice of TD Ameritrade for custody and brokerage services.

From time to time, we may receive expense reimbursement for travel and/or marketing expenses from distributors of investment and/or insurance products. Travel expense reimbursements are typically a result of attendance at due diligence and/or investment training events hosted by product sponsors. Marketing expense reimbursements are typically the result of informal expense sharing arrangements in which product sponsors may underwrite costs incurred for marketing such as advertising, publishing and seminar expenses. Although receipt of these travel and marketing expense reimbursements are not predicated upon specific sales quotas, the product sponsor reimbursements are typically made by those sponsors for whom sales have been made or it is anticipated sales will be made.

IARs endeavor at all times to put the interest of our clients first as a part of their fiduciary duty. However, you should be aware that the receipt of additional compensation through expense reimbursements creates a conflict of interest that may impact the judgment of the IARs when making advisory recommendations.

ITEM 15 - CUSTODY

Custody, as it applies to investment advisors, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment advisor has the ability to access or control client funds or securities, the investment advisor is deemed to have custody and must ensure proper procedures are implemented.

Lathram Financial Group is deemed to have custody of client funds and securities whenever Lathram Financial Group is given the authority to have fees deducted directly from client accounts. However, this is the only form of custody Lathram Financial Group will ever maintain. It should be noted that authorization to trade in client accounts is not deemed by regulators to be custody.

For accounts in which Lathram Financial Group is deemed to have custody, the firm has established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. Clients or an independent representative of the client will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian's name, address and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least quarterly. Clients should carefully review those statements and are urged to compare the statements against reports received from Lathram Financial Group. When clients have questions about their account statements, they should contact Lathram Financial Group or the qualified custodian preparing the statement.

When fees are deducted from an account, Lathram Financial Group is responsible for calculating the fee and delivering instructions to the custodian. At the same time Lathram Financial Group instructs the custodian to deduct fees from the client's account; Lathram Financial Group will send the client an invoice itemizing the fee. Itemization shall include the formula used to calculate the fee, the amount of assets under management the fee is based on, and the time period covered by the fee.

ITEM 16 - INVESTMENT DISCRETION

Prior to engaging Lathram Financial Group to provide investment advisory services, clients enter into a written Agreement with Lathram Financial Group granting the firm the authority to supervise and direct, on an on-going basis, investments- in accordance with the client's investment objective and guidelines. Clients will also execute any and all documents required by the Custodian so as to authorize and enable Lathram Financial Group, in its sole discretion, without prior consultation with or ratification by you, to purchase, sell or exchange securities in and for your account. We are authorized, in our discretion and without prior consultation with you to: (1) buy, sell, exchange and trade any investment company registered under the Investment Company Act of 1940 and (2) determine the amount of securities to be bought or sold and (3) place orders with the

custodian. Any limitations to such authority will be communicated by you to us in writing.

The limitations on investment and brokerage discretion held by Lathram Financial Group for you are:

1. For discretionary clients, we require that it be provided with authority to determine which securities and the amounts of securities to be bought or sold, as well as the broker-dealer to be used and the commission rates to be paid.
2. Any limitations on this discretionary authority shall be included in this written authority statement. You may change/amend these limitations as required. Such amendments shall be submitted in writing.

In some instance, we may not have discretion. We will discuss all transactions with you prior to execution or you will be required to make the trades if in an employer sponsored account.

Research products and services received by us from broker-dealers will be used to provide services to all our clients.

ITEM 17 - VOTING YOUR SECURITIES

We will not vote proxies under its limited discretionary authority. You are welcome to vote proxies or designate an independent third-party at your own discretion. You designate proxy voting authority in the custodial account documents. You must ensure that proxy materials are sent directly to you or your assigned third party. We do not take action with respect to any securities or other investments that become the subject of any legal proceedings, including bankruptcies.

ITEM 18 - FINANCIAL INFORMATION

This item is not applicable to this brochure. We do not require or solicit prepayment of more than \$500 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for our most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, we have not been the subject of a bankruptcy petition at any time.



Craig E. Lathram

Lathram Financial Group, LLC

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January 16, 2015

Form ADV, Part 2B

The Brochure Supplement provides information about Craig E. Lathram (CRD# 5573621) that supplements Lathram Financial Group, LLC's Brochure. You should have received a copy of the Brochure. Please contact Debbie Lathram, Chief Compliance Officer, if you did not receive Lathram Financial Group LLC's brochure or if you have any questions about the contents of this supplement.

Additional information about Craig Lathram is available on the SEC's website at www.adviserinfo.sec.gov.

ITEM 2 - EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Craig E. Lathram

Born: 1969

Post-Secondary Education:

California State Polytechnic, Pomona, CA,. B.A. English, 1993

Successfully completed the securities licenses: Series 7, 66

Insurance Licenses in LTC, Disability, Life and Health

Recent Business Experience:

Lathram Financial Group, President, August 2008 to Present

Vail Associates, Ski Instructor, December 2008 to Present

ING, Investment Adviser Representative, August 2008 to October 2014

ITEM 3 - DISCIPLINARY INFORMATION

Mr. Lathram has no history of legal or disciplinary events.

ITEM4 - OTHER BUSINESS ACTIVITIES

Mr. Lathram holds an insurance license to sell limited insurance products. It is anticipated that a small portion, less than (10%) of his time, will be spent providing these insurance products. He may receive compensation from selling insurance products and therefore receive economic benefit for this activity. This activity may create a conflict of interest with clients. However, since this activity represents less than 10% of his time and income, it is presumed not to be substantial, but will at all times act in the best interest of his clients and act as a fiduciary in carrying out services to clients.

ITEM 5 - ADDITIONAL COMPENSATION

Craig Lathram does not receive any economic benefit for providing advisory services beyond the scope of Lathram Financial Group, LLC.

ITEM 6 - SUPERVISION

Mr. Lathram is supervised through a compliance program designed to prevent and detect violations of the federal and state securities laws. Supervision is conducted by the Chief Compliance Officer, Debbie Lathram who is responsible for administering the policies and procedures. Mr. Lathram reviews those policies and procedures annually for their adequacy and the effectiveness of their implementation. All policies and procedures of the firm are followed.

Debbie Lathram's contact information:

Debbie Lathram
Chief Compliance Officer
(303) 694-4800
debbie@lathramfinancial.com

ITEM 7 - REQUIREMENTS FOR STATE-REGISTERED ADVISERS

Please be advised that Mr. Lathram has not been involved in an award or has otherwise been found liable in an arbitration claim alleging damages in excess of \$2,500, involving any of the following:

- (a) An investment or an *investment-related* business or activity;
- (b) Fraud, false statement(s), or omissions;
- (c) Theft, embezzlement, or other wrongful taking of property;
- (d) Bribery, forgery, counterfeiting, or extortion; or
- (e) Dishonest, unfair, or unethical practices.

Additionally, Mr. Lathram has not been involved in an award or otherwise been found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:

- (a) An investment or an *investment-related* business or activity;
- (b) Fraud, false statement(s), or omissions;
- (c) Theft, embezzlement, or other wrongful taking of property;
- (d) Bribery, forgery, counterfeiting, or extortion; or
- (e) Dishonest, unfair, or unethical practices

Mr. Lathram has not been the subject of a bankruptcy petition.

To the best of our ability all material conflicts of interest are disclosed regarding Lathram Financial, its representatives or any of its employees, which could be reasonably expected to impair the rendering of unbiased and objective advice.