

# THE ADVOCATES

## Item 1 – Cover Page

Your Advocates Ltd., LLP

DBA “The Advocates”

920 Memorial City Way Ste. 250, Houston, TX, 77024

Phone: (713) 827-8014

Website: [www.youradvocates.com](http://www.youradvocates.com)

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This Brochure provides information about the qualifications and business practices of Your Advocates Ltd., LLP (“Adviser” or “the Firm” or “The Advocates”). If you have any questions about the contents of this Brochure, please contact us at (713) 827-8014 and/or [anna@youradvocates.com](mailto:anna@youradvocates.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

YOUR ADVOCATES LTD., LLP is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about YOUR ADVOCATES LTD., LLP also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## Item 2 – Material Changes

There have been material changes made to The Advocates’ disclosure statement since last year’s Annual Amendment filing on March 30, 2016. The Advocates’ Chief Compliance Officer is now Anna Banks, replacing Kurt Box with the submission of this ADV. Additionally, items 4 and 5, have been update with information regarding non-discretionary assets and the addition of another billing schedule that applies to a small number of clients. ANY QUESTIONS: The Advocates’ Chief Compliance Officer, Anna Banks remains available to address any questions regarding this Part 2A, including the disclosure additions and enhancements.

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year (December 31<sup>st</sup> each year). We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

### **Material Changes since the Last Update**

2017 Update: The Advocates has named Anna Banks the Chief Compliance Officer, replacing Kurt Box with this filings. The Advocates has also acknowledged that funds held in certain private equity investments introduced by The Advocates are non-discretionary assets and are now reported as such is Item 4. The Advocates has begun offering a new fee schedule to a small number of clients, the details of which are updated in Item 5.

2016 Update: Cypress Advisory Services Ltd., LLP has changed its name to Your Advocates Ltd., LLP, DBA “The Advocates”.

August 4, 2015 Update: Cypress Advisory has become aware that it has custody of assets held in 529 CollegeAmerica Plans at American Funds due to the ability to pay tuition directly to the beneficiary’s institution of higher learning without client authorization. Additionally, we may have custody over certain “held away” managed assets (mainly 401k plans). For this reason we have engaged Ashland Partners, LP (a PCOAB certified accounting firm) to conduct a surprise exam of the aforementioned accounts in the next 6 months and annually thereafter.

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March 23, 2015 Update: Since the last version of the ADV Part 2 dated March 5, 2014, Cypress Advisory has become aware that due to its role as the advisor to a small private equity partnership (SoTex Housing, LP) in which only Cypress Advisory's clients are limited partners, it is considered to have custody of those monies.

Currently, our Brochure may be requested by contacting Anna Banks, Operations and Compliance at (713) 827-8014 or [anna@youradvocates.com](mailto:anna@youradvocates.com) . Our Brochure is also available on our web site [www.youradvocates.com](http://www.youradvocates.com) , also free of charge.

Additional information about YOUR ADVOCATES LTD., LLP is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with Your Advocates Ltd., LLP who are registered, or are required to be registered, as investment adviser representatives of Your Advocates Ltd., LLP.

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## Item 4 – Advisory Business

- A. The Advocates is a financial planning and investment management firm. The Advocates was formed in January 2006. The Firm provides comprehensive financial planning to individuals primarily for whom it also delivers investment management services. The Advocates will provide financial planning only services apart from investment management services but only on a case-by-case basis; we are very selective in this area. For most individual clients, The Advocates provides investment management services in addition to financial planning services. In these cases, we examine the individual financial planning needs of the client prior to making investment recommendations. The Advocates also manages investment advisory portfolios for those clients who decline full scale financial planning services. However, this is rare and we prefer to provide planning work in addition to investment management because we believe this gives us a better understanding of the client's overall financial picture, their personal goals, risks they may encounter, the risk they need to take (or not take) in their portfolio, etc.

Principal Owners are Paul E. Palmer, Jr., Kurt L. Box and Coleman E. Campbell.

- B. The Advocates provides advice in two main areas: financial planning and discretionary investment management.
- a. The financial planning services The Advocates provides can be quite broad in scope. The actual services that each individual client receives, however, are contingent upon their particular circumstances and needs. Please note, ongoing investment management is not provided for under our "Financial Planning Contract." Rather, ongoing investment management is provided via our "Investment Advisory Agreement" that has been executed with each client. Specifically, the full list of financial planning services we provide includes:
- Cash Flow and Net Worth Statement
  - Goal Setting
  - Portfolio Analysis
  - Retirement Analysis
  - Retirement Plan Analysis
  - Risk Management Analysis
  - Employee Benefits Review & Enrollment
  - Deferred Compensation Analysis
  - Income Tax Analysis and Planning (Excludes Preparation)
  - Charitable Planning

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- Estate Planning (Excludes Document Preparation)
  - Education Funding Analysis
  - Social Security Claiming Analysis
  - Business Continuity Planning
- b. With respect to our investment advisory services, The Advocates is a diversified, global portfolio manager. We practice integrated asset allocation, and believe that asset allocation – the way a client’s portfolio holdings are divided among stocks, bonds, cash equivalents and other non-correlated asset classes – is a vital determinant of the investment results over both long and short time periods. We do not purchase individual stocks and bonds for our clients but instead use mutual funds and Exchange Traded Funds (ETFs).
- C. The Advocates tailors both our financial planning and investment advisory services to the needs of individual clients. On the financial planning front, every client receives a customized and personalized financial plan that is built using MoneyGuide Pro software with additional calculations using Microsoft Excel, as necessary. A multitude of personal circumstances are considered and a multitude of documents are needed to prepare this plan. On the investment advisory side, while we do follow a set of 5 “Model Portfolios” for firm scalability purposes, clients’ portfolios are customized as follows:
- Beginning Investment Categories: For tax purposes (personal, taxable/tax-deferred/tax free), limited investment options (i.e. variable annuities, 401ks)
  - Asset class percentage and dollar targets
  - Pie charts detailing current versus proposed allocations by asset class
  - Keep/Sell recommendations of existing holdings
  - Tax consequences of implementation of suggested portfolio
  - Which asset classes to hold in taxable versus tax deferred or tax free accounts
  - Specific investments to buy:
    - According to asset class
    - Identify investment custodian (Schwab Institutional, TD Ameritrade Institutional, other (i.e. no-load variable annuity contract, TIAA CREF, 401k, etc.)
    - Total dollar amounts

As each client approaches us with different circumstances, those circumstances must be taken into account when putting together an optimal portfolio. For example, if a new client has a large gain in a variable annuity, rather than liquidate the annuity we will likely perform a 1035 exchange to a low cost annuity. Even though the new annuity has a large amount of available investments, they are not

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unlimited. Therefore, we must build the rest of the portfolio under this constraint. After the portfolio is fully invested, The Advocates monitors the portfolio and periodically re-balances the portfolio back in line with the original targets. The Advocates' approach to rebalancing is not one that typically results in many significant adjustments over short periods of time. Rather, re-balancing changes tend to be gradual and often occur only once or twice each year. Typically, rebalancing targets are set at + or – 20% of the clients recommended allocation. For example, if the recommended allocation was 20% for a particular asset class, the asset class would be rebalanced back to 20% once it reaches 16% or 24%. Other rebalancing opportunities occur as clients add to or withdraw from accounts.

Clients may impose restrictions on investing in certain securities or types of securities, but the client must inform us in writing before The Advocates will place trades.

D. We do not participate in any “wrap fee” programs.

E. As of 03/10/2017 The Advocates managed \$209,302,103 on a discretionary basis and \$5,580,000 on a non-discretionary basis for 133 clients.

## F. MISCELLANEOUS

- Financial Planning and Non-Investment Consulting/Implementation Services: As indicated above, to the extent requested by the client, The Advocates shall generally provide consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. Neither The Advocates, nor any of its representatives, serves as an attorney or accountant, and no portion of The Advocates' services should be construed as same. Accordingly, we do not prepare estate planning documents or tax returns. To the extent requested by a client, The Advocates may recommend the services of certain professionals for non-investment implementation purposes (i.e. attorneys, accountants, insurance, etc.), including The Advocates in its separate capacity as a licensed insurance agency (see Item 10 below). The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from The Advocates. Please Note: If the client engages any recommended unaffiliated professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. Please Also Note- Conflict of Interest: The recommendation by The Advocates representative that a client purchase an insurance commission product from The Advocates

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presents a conflict of interest, as the receipt of commissions may provide an incentive to recommend insurance products based on commissions to be received, rather than on a particular client's need. No client is under any obligation to purchase any insurance commission products from The Advocates. Clients are reminded that they may purchase insurance products recommended by The Advocates through non-affiliated insurance agents. The Advocates' Chief Compliance Officer, Anna Banks, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.

- Please Note-Use of Mutual Funds: Most mutual funds are available directly to the public. Thus, a prospective client can obtain many of the mutual funds that may be recommended and/or utilized by The Advocates independent of engaging The Advocates as an investment advisor. However, if a prospective client determines to do so, he/she will not receive The Advocates' initial and ongoing investment advisory services.
- PLEASE NOTE: RETIREMENT ROLLOVERS-No Obligation/Conflict of Interest: A client leaving an employer typically has four options (and may engage in a combination of these options): i) leave the money in his former employer's plan, if permitted, ii) roll over the assets to his/her new employer's plan, if one is available and rollovers are permitted, iii) rollover to an IRA, or iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). The Advocates may recommend an investor roll over plan assets to an Individual Retirement Account (IRA) managed by The Advocates. As a result The Advocates and its representatives may earn an asset-based fee (see Please Note below). In contrast, a recommendation that a client or prospective client leave his or her plan assets with his or her old employer or roll over the assets to a plan sponsored by a new employer will generally result in no compensation to The Advocates (unless you engage The Advocates to monitor and/or manage the account while maintained with the client's employer). The Advocates has an economic incentive to encourage an investor to roll plan assets into an IRA that The Advocates will manage or to engage The Advocates to monitor and/or manage the account while maintained with the client's employer. There are various factors that The Advocates may consider before recommending a rollover, including but not limited to: i) the investment options available in the plan versus the investment options available in an IRA, ii) fees and expenses in the plan versus the fees and expenses in an IRA, iii) the services and responsiveness of the plan's investment professionals versus The Advocates', iv) protection of assets from creditors and legal judgments, v) required minimum



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distributions and age considerations, and vi) employer stock tax consequences, if any. Please Note: If The Advocates' engagement will include the management of the client's retirement account per the same fee schedule set forth below at Item 5 of this Brochure, regardless of custodian or the client's decision to process a rollover, the above economic incentive to recommend a rollover is generally not present. No client is under any obligation to roll over plan assets to an IRA managed by The Advocates or to engage The Advocates to monitor and/or manage the account while maintained with the client's employer. The Advocates' Chief Compliance Officer, Anna Banks, remains available to address any questions that a client or prospective client may have regarding the above and the corresponding conflict of interest presented by such engagement.

- **Affiliated Private Fund.** The Advocates continues to provide investment advice to its affiliated private investment fund, SoTex Housing LP (the "Fund"). The Fund is closed to new investors. The amount of assets invested by clients who are also Fund investors shall continue to be included as part of "assets under management" for purposes of The Advocates calculating its investment advisory fee.
- **Unaffiliated Private Investment Funds.** The Advocates may also provide investment advice regarding unaffiliated private investment funds. The Advocates, on a non-discretionary basis, may recommend that certain qualified clients consider an investment in unaffiliated private investment funds. The Advocates' role relative to the private investment funds shall be limited to its initial and ongoing due diligence and investment monitoring services. If a client determines to become a private fund investor, the amount of assets invested in the fund(s) shall be included as part of "assets under management" for purposes of The Advocates calculating its investment advisory fee. The Advocates' clients are under absolutely no obligation to consider or make an investment in a private investment fund(s).
- **Please Note:** Private investment funds generally involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints and lack of transparency, a complete discussion of which is set forth in each fund's offering documents, which will be provided to each client for review and consideration. Unlike liquid investments that a client may own, private investment funds do not provide daily liquidity or pricing. Each prospective client investor will be required to complete a Subscription Agreement, pursuant to which the client shall establish that he/she is

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qualified for investment in the fund, and acknowledges and accepts the various risk factors that are associated with such an investment.

- Please Also Note: Valuation. In the event that The Advocates references private investment funds owned by the client on any supplemental account reports prepared by The Advocates, the value(s) for all private investment funds owned by the client shall reflect the most recent valuation provided by the fund sponsor. If no subsequent valuation post-purchase is provided by the Fund Sponsor, then the valuation shall reflect the initial purchase price (and/or a value as of a previous date), or the current value(s) (either the initial purchase price and/or the most recent valuation provided by the fund sponsor). If the valuation reflects initial purchase price (and/or a value as of a previous date), the current value(s) (to the extent ascertainable) could be significantly more or less than original purchase price. The client's advisory fee shall be based upon reflected fund value(s).
- Client Retirement Plan Assets. If requested to do so, The Advocates shall provide investment advisory services relative to the client's 401(k) plan assets. In such event, The Advocates shall allocate (or recommend that the client allocate) the retirement account assets among the investment options available on the 401(k) platform. The Advocates' ability shall be limited to the allocation of the assets among the investment alternatives available through the plan. The Advocates will not receive any communications from the plan sponsor or custodian, and it shall remain the client's exclusive obligation to notify The Advocates of any changes in investment alternatives, restrictions, etc. pertaining to the retirement account.
- Client Obligations. In performing our services, The Advocates shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify us if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising our previous recommendations and/or services.

Please Note: Investment Risk. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by The Advocates) will be profitable or equal any specific performance level(s).

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## Item 5 – Fees and Compensation

A. The Advocates charges fees in three different ways under three separate contracts.

- a. Investment Management Fees: Fees for investment management are separate from financial planning fees and are blended rates. The majority of The Advocates' clients are subject to the following fee schedule:

<u>Assets Under Management</u>	<u>Annualized Fee</u>
First \$500,000	1.20%
\$500,001-\$1,000,000	0.90%
\$1,000,001-\$2,000,000	0.70%
\$2,000,001-\$5,000,000	0.50%
\$5,000,001 - \$10,000,000	0.40%
Over \$10,000,000	Negotiable

As mentioned, these are incremental rates. For example: Exactly \$1,900,000 in assets managed for exactly one year would result in an annual fee of  $\$500,000 \times 1.20\% = \$6,000$  plus  $\$500,000 \times 0.90\% = \$4,250$  plus  $\$900,000 \times 0.70\% = 6,750$  for a total fee of \$16,500 and a rate of 0.868% (\$16,500 fee divided by \$1,900,000 in assets). Fees are billed quarterly in advance and are subject to change with 30 days written notice. Fees are not negotiable. If a client is charged a fee less than The Advocates' standard fee schedule, it is normally expressed as a professional courtesy discount on client's annual Fee Schedule (this is applicable to the firm's family members only).

- b. Ongoing Financial Planning and AUM: A small number of The Advocates' clients are under a hybrid ongoing financial planning fee and AUM fee schedule. The ongoing financial planning fee is calculated by the client's advisor after an analysis of anticipated and agreed upon financial planning services. The ongoing fee is determined only after the initial financial plan (see below) has been completed. The combined fee is billed quarterly, in advance. The AUM portion of the fee is subject to the following fee schedule:

<u>Assets Under Management</u>	<u>Annualized Fee</u>
First \$500,000	0.60%
\$500,001-\$1,000,000	0.50%
\$1,000,001-\$4,000,000	0.45%
\$4,000,001-\$7,000,000	0.40%
\$7,000,001 - \$10,000,000	0.35%

- c. Initial Financial Planning Fees: In a financial planning engagement, The Advocates charges a financial planning fee (separate from investment

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management fees) in the first year of the engagement. The first year financial planning fee may range from \$2,000 to \$6,000 depending upon the complexity of the specific client situation. We charge half of the fee upfront before commencing work. The balance is due upon presentation of the plan. Other payment arrangements are used under rare circumstances and are outlined in the Financial Planning contract. The Advocates' fee-based compensation arrangement means that The Advocates may receive compensation from the sale of non-security based life insurance, disability insurance, fixed rate annuities and long-term care insurance. Further, all third party compensation is fully disclosed to the clients in question prior to their purchase of any policy and the client is informed that they may use an alternate insurance agent to purchase the recommended policy(ies) if they so desire.

- B. Typically, initial financial planning fees are charged 50% upfront before work on the plan begins with the remainder due upon presentation of the plan. The fee is a one-time fee only and clients are billed directly. Other payment arrangements may apply and are listed in the client's financial planning contract.

The specific manner in which investment advisory fees are charged by The Advocates is established in a client's written agreement with The Advocates. The Advocates bills its fees on a quarterly basis. Clients are billed in advance each calendar quarter and fees are deducted from client accounts. Clients may have the option to pay these fees outside of this arrangement.

- C. The Advocates' investment advisory fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus.

Such charges, fees and commissions are exclusive of and in addition to The Advocates' fee, and The Advocates shall not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that The Advocates considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

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- D. Clients must pay management fees in quarterly in advance. Management fees shall be prorated for each capital contribution and withdrawal over \$10,000 made during the applicable calendar quarter. Accounts initiated or terminated during a calendar quarter will be charged or refunded a prorated fee. When a client terminates an account or accounts, the client will be entitled to a pro rata refund of any pre-paid quarterly fee based upon the number of days remaining in the quarter after termination. Upon termination of any account, any prepaid, unearned fees will be promptly refunded.
- E. The Advocates does not accept or receive any compensation for the sale of securities or other investment products.
- F. The Advocates, in its sole discretion, may charge a lesser investment management fee based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

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

The Advocates does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

## **Item 7 – Types of Clients**

The Advocates Services provides portfolio management services to individuals and high net worth individuals. The majority of our clients are high net worth individuals.

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## Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

- A. The Advocates is a diversified, global investment manager. We practice integrated asset allocation, and believe that asset allocation – the way a client’s portfolio holdings are divided among stocks, bonds, cash equivalents and other non-correlated asset classes – is a vital determinant of the investment results over both long and short time periods. While we are not “market timers” in that we do not jump in and out of equities and other asset classes over short periods of time (i.e. less than one year), we do vary exposure to the asset classes we utilize over time. These variations are first and foremost dependent upon each particular client’s need for and ability to take risk. Secondly, exposure to the asset classes is based on our evaluation of the overall valuation level of the asset class. This is particularly true with respect US stocks as we can more easily (due to vast amounts of historical data) make long range (7-10 year) return estimates. We do not purchase individual stocks and bonds for our clients but instead use mutual funds and Exchange Traded Funds (ETFs). The Advocates currently uses up to 15 major asset classes per the following categorizations:

- Cash
- Short Term Bond
- Bank Loan
- Core Bond
- Global Bond
- Strategic Bond
- Market Neutral
- Multi-Asset
- Municipal Bonds
- Managed Futures
- Emerging Market Bonds
- Large Capitalization U.S. Stock
- Small/Mid Capitalization U.S. Stock
- Foreign Stocks (Large Capitalization, Developed Markets)
- Diversified Emerging Market Stock
- Long Only Commodities
- Specialty/Sector

- B. Please note that investing in securities involves risk of loss that clients should be prepared to bear. All of the investments and asset classes utilized by The Advocates fluctuate in value and thus there is a chance clients may lose money over both the short term and the long term. While our clients’ portfolios have generally had a lower risk of both incurring losses and in the magnitude of those losses than has the

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US stock market in general, no assurances can be made that this will always hold true or that it will be true moving forward.

- C. The Advocates primarily recommends mutual funds and Exchange Traded Funds (ETFs). Secondly, we also utilize subaccounts within commission free variable annuities and limited partnerships for clients who are accredited investors (financial assets of \$1 million and over).

**Mutual Fund and ETF Risks:** The mutual funds and ETFs utilized by The Advocates involve certain material risks. More about these risks can be found in fund and ETF prospectuses. These risks are namely:

- **General Risks:** All investments are subject to inherent risks, and investments and the funds and ETFs utilized by The Advocates are no exception. Accordingly, you may lose money by investing in the funds and ETFs recommended by The Advocates. These funds and ETFs may be worth less than what you paid for them when you sell them because their prices will fluctuate day-to-day, reflecting changes in market conditions, interest rates and numerous other factors.
- **Market Risks:** Markets can trade in random or cyclical price patterns, and prices can fall over sustained periods of time. The value of the mutual funds and ETFs utilized by The Advocates may fluctuate as markets fluctuate and could decline over short- or long-term periods.
- **Focused Portfolio and Non-Diversification Risks:** Some of the funds and ETFs utilized by The Advocates may have more volatility and are considered to have more risk than a fund that invests in a greater number of securities because changes in the value of a single security may have a more significant effect, either negative or positive, on net asset value ("NAV").
- **Special Situation Risk:** Some of the funds and ETFs utilized by The Advocates may make investments in special situations which may involve greater risks when compared to other strategies due to a variety of factors.
- **Interest Rate Risk:** Some of the funds and ETFs utilized by The Advocates may make investments that are subject to interest rate risk, which is the risk that the value of a security will decline because of a change in general interest rates. Investments subject to interest rate risk will usually decrease in value when interest rates rise and rise in value when interest rates decline. Also, securities with long maturities typically experience a more pronounced change in value when interest rates change.
- **Credit Risk:** The mutual funds and ETFs utilized by The Advocates make investments that subject to credit risk. An issuer's credit quality depends on its ability to pay interest on and repay its debt and other obligations.



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Defaulted securities (or those expected to default) are subject to additional risks in that the securities may become subject to a plan or reorganization that can diminish or eliminate their value. The credit risk of a security may also depend on the credit quality of any bank or financial institution that provides credit enhancement for the security.

- **High Yield Security Risk.** : The mutual funds and ETFs utilized by The Advocates may make investments in fixed-income securities that are rated below investment grade by one or more nationally recognized statistical rating organization (“NRSROs”) or that are unrated and are deemed to be of similar quality (“high yield securities”). These securities may be subject to greater risk of loss of principal and interest than investments in higher-rated fixed-income securities. High yield securities are also generally considered to be subject to greater market risk than higher-rated securities.
- **REITs Risk:** Some of the mutual funds utilized by The Advocates may invest in real estate investment trusts (REITs). REITs may be subject to certain risks associated with the direct ownership of real property, including declines in the value of real estate, risks related to general and local economic conditions, overbuilding and increased competition, increases in property taxes and operating expenses and variations in rental income.
- **Bank Debt Risk:** Some of the mutual funds utilized by The Advocates, particularly the one utilized to fill the Bank Loan asset class, make investments in bank debt. Investments in bank debt involve credit risk, interest rate risk, liquidity risk and other risks, including the risk that any loan collateral may become impaired or that the purchasing fund may obtain less than the full value for the loan interests when sold.
- **Small to Medium Capitalization Risk:** Some of the mutual funds and ETFs utilized by The Advocates may make have the ability to invest in securities of companies with small to medium market capitalizations. Such companies may be engaged in business within a narrow geographic region, be less well known to the investment community and have more volatile share prices. Also, companies with smaller market capitalizations often lack management depth and have narrower market penetrations, less diverse product lines and fewer resources than larger companies. Moreover, the securities of such companies often have less market liquidity and, as a result, their stock prices often react more strongly to changes in the marketplace.
- **Emerging Markets Risk:** The mutual funds and ETFs we utilize in the Emerging Market Bond and Emerging Market stock asset classes also involve the additional risks associated with investing in these areas. Risks include geo-political, regulatory and currency risk (see below for currency risk).



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- **Currency Risk:** The mutual funds and ETFs we utilize primarily in the Emerging Market Bond, Foreign Bond and Emerging Market Stock asset classes also face the risk that that foreign currencies will decline in value relative to the U.S. dollar and affect the fund's or ETF's investments in foreign (non-U.S.) currencies.

Many of the above risks also apply to limited partnerships we use, but they also contain one additional risk; that is liquidity risk. In the case of these limited partnerships, the liquidity risk is due to the illiquid nature of the underlying investments in the limited partnerships. This means that limited partners cannot typically sell or redeem their securities except in the case of death or disability.

## **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of The Advocates or the integrity of The Advocates' management. The Advocates has no information applicable to this Item.

## **Item 10 – Other Financial Industry Activities and Affiliations**

- A. Registered investment advisers are required to disclose all facts regarding other financial industry activities and affiliations they may have. The Advocates is not and does not have any management persons who are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither The Advocates nor any of our management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.
- C. The Advocates is licensed as an insurance agency and in this capacity acts as a broker for term and permanent life insurance, fixed rate annuities, disability insurance and long-term care insurance. This service is only available to our financial planning and investment advisory clients. Each of these types of policies are risk management tools and may be appropriate and suitable for some clients. Since The Advocates has found that sending the client to another company to purchase the above insurance does not typically result in a discount, The Advocates offers to serve as the client's representative and broker of record in the purchase. The commissions are always fully disclosed to the client and it is only at the request of our clients that we represent them as an insurance broker in the insurance

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marketplace. Additionally, the client is informed that they can always use an outside broker for their insurance purchases. The insurance activities comprise less than 5% of our business activities.

- D. Neither The Advocates nor any of our management persons receive compensation directly or indirectly from other advisers.
- E. Conflict of Interest: As indicated above, representatives of The Advocates, in their separate individual capacities, serve as licensed insurance agents. Please Note- Conflict of Interest: The recommendation by The Advocates representative that a client purchase an insurance commission product from The Advocates in its separate capacity as an insurance agency, presents a conflict of interest, as the receipt of commissions may provide an incentive to recommend insurance products based on commissions to be received, rather than on a particular client's need. No client is under any obligation to purchase any insurance commission products from The Advocates. Clients are reminded that they may purchase insurance products recommended by The Advocates through non-affiliated insurance agents. The Advocates' Chief Compliance Officer, Kurt Box, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.

## **Item 11 – Code of Ethics**

- A. The Advocates has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at The Advocates must acknowledge the terms of the Code of Ethics annually, or as amended.
- B. The Advocates does not recommend to clients, or buy or sell for client accounts, securities in which the firm or a related person has a material financial interest. It is The Advocates' policy that the firm will not affect any principal or agency cross securities transactions for client accounts.
- C. The Advocates anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which The Advocates has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which The Advocates, its affiliates and/or clients, directly or indirectly, have a position of interest. The

# THE ADVOCATES

Advocates' employees and persons associated with The Advocates the firm are required to follow our Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of The Advocates and its affiliates MAY trade for their own accounts in securities which are recommended to and/or purchased for The Advocates' clients. The Code of Ethics is designed to ensure that the personal securities transactions, activities and interests of the employees of The Advocates Services will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. In practice, however, virtually all trades are overseen by the firm's Chief Compliance Officer, Anna Banks, and are only trades that occur in the normal course of rebalancing employee's accounts to their particular model. Additionally, each quarter, employee trades are downloaded and reviewed.

- D. Employees who trade on the same day as clients must have all trades aggregated with client orders and receive the average pricing. Since The Advocates does not utilize individual stocks or bonds, only mutual funds and ETFs, this applies only to ETFs. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between The Advocates Services and its clients.

The Advocates' clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Anna Banks.

## **Item 12 – Brokerage Practices**

- A. Everything under this heading (A.) describes the factors that we consider in selecting broker-dealers for client transactions and in determining the reasonableness of their compensation (e.g., commissions).
  - 1. The Advocates will supervise and direct the investments of the client accounts subject to such limitations as the client may impose in writing. The Advocates, as agent and attorney-in-fact with respect to the client's account, without prior consultation with the client, may, (a) direct the purchase, sell, exchange, conversion, and otherwise trade in stocks, bonds, mutual funds, ETFs and other securities including money market instruments, (b) direct the amount of

# THE ADVOCATES

securities purchased, sold, exchanged, and otherwise traded; (c) place orders for the execution of such securities transactions with third party broker/dealers.

**The Custodian and Brokers We Use** – The Advocates does not maintain custody of your assets that we manage, although we may be deemed to have custody of your assets if you were to give us authority to withdraw assets from your account (see Item 15 – Custody, below). Your assets must be maintained in an account at a “qualified custodian,” generally a broker-dealer or bank. We require that our clients use either TD Ameritrade (TD) or Charles Schwab & Co., Inc. (Schwab), registered broker-dealers, members SIPC, as the qualified custodian. We are independently owned and operated and are not affiliated with TD or Schwab. TD or 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 TD or Schwab as custodian/broker, you will decide whether to do so and will open your account with TD or 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 TD or Schwab, then we cannot manage your account(s). Even though your account is maintained at TD or 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:

- The reasonableness of commissions compared to other custodians and broker-dealers
- 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; especially in resolving client paperwork issues, transfer and wire issues, etc;

# THE ADVOCATES

- 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
- The features and user friendliness of the client accessible website
- Availability of other products and services that benefit us, as discussed below (see “Products and Services Available to Us From Schwab”)

**Your Brokerage and Custody Costs** - For our clients’ accounts that TD and Schwab maintain, they generally does not charge you separately for custody services but are compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. Schwab’s commission rates applicable to our client accounts were negotiated based on the condition that our clients collectively maintain a total of at least \$100,000,000 of their assets in accounts at Schwab. TD’s commission rates applicable to our client accounts were negotiated based on us considering using them for future clients but we do not have a minimum to maintain with TD. These commitments benefit you because the overall commission rates you pay are lower than they would be otherwise. In addition to commissions, TD and Schwab charge 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 or TD 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 or TD 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”).

- a. Because we utilize Schwab as our primary custodian and TD secondarily, we receive some products and services at a discount or free from them. These are referred to as “soft dollars.” This is a benefit to us because we do not have to produce or pay (or we receive a discount) for the research, products and services. See Item 5 of this section for full discussion of the benefits we receive.
- b. Because we receive benefits from TD and Schwab we have an incentive to select them based on our interest in receiving the free or discounted

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research, products and services they provide to us, rather than on our clients' interest in receiving most favorable execution.

- c. Current and prospective clients are hereby advised that lower fees for comparable services may be available from other sources such as deep discount brokerage firms. The Advocates has no obligation to seek the lowest commission cost or charge the lowest advisory fee. It is not our practice to negotiate "execution only" commission rates; thus the client may be deemed to be paying for other services provided by the broker which are included in the commission rate. (i.e. see Item 5 of this section).
- d. The Advocates' soft dollar benefits are not proportionally allocated to any accounts that may generate different amounts of the soft dollar benefits.
- e. **Products and Services Available to Us From Schwab and TD** - Schwab Advisor Services™ (formerly called Schwab Institutional®) is Schwab's business serving independent investment advisory firms like us. They provide us 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. The same goes for TD. TD and Schwab also make 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. TD and Schwab's support services generally are available on an unsolicited basis (we don't have to request them) and at no charge to us as long as our clients collectively maintain a total of at least \$10 million (Schwab only) of their assets in accounts at Schwab. If our clients collectively have less than \$10 million in assets at Schwab, Schwab may charge us quarterly service fees of \$1,200. Following is a more detailed description of Schwab's support services:

**Services That Benefit You** – TD and 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 TD and Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. TD's and Schwab's services described in this paragraph generally benefit you and your account.

**Services That May Not Directly Benefit You** – TD and Schwab also makes available to us other products and services that benefit us but may

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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 TD and 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 TD or Schwab. In addition to investment research, TD and Schwab also make 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** – TD and Schwab also offer other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events. Note, TD and Schwab do not pay for any travel or accommodation; they only provide for discounted or free admission to the conferences to hear speakers which might otherwise be quite expensive to access.
- Consulting on technology, compliance, legal, and business needs. Examples of how TD and Schwab help us in this area include: They send us Compliance Bulletins written by legal experts; they provide webinars on technology best practices and integration; and they provide a myriad of business planning and strategy tools (such as benchmark studies, running an efficient practice, etc.).
- Publications and conferences on practice management and business succession (see above for examples)
- Access to employee benefits providers, human capital consultants, insurance providers and package delivery companies that may offer discounts

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



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- f. **Our Interest in TD and Schwab's Services** - The availability of these services from TD and Schwab benefits us because we do not have to produce or purchase them. We don't have to pay for Schwab's services so long as our clients collectively keep a total of at least \$10 million of their assets in accounts at Schwab. Beyond that, these services are not contingent upon us committing any specific amount of business to Schwab in trading commissions or assets in custody. The \$10 million minimum may give us an incentive to require that you maintain your account with Schwab, based on our interest in receiving Schwab's services that benefit our business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that our selection of Schwab as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's services (see "How We Select Brokers/Custodians") and not Schwab's services that benefit only us. We have over \$200 million in client assets under management, and we do not believe that requiring our clients to collectively maintain at least \$10 million of those assets at Schwab in order to avoid paying Schwab quarterly service fees presents a material conflict of interest.
2. The Advocates does NOT receive referrals from any broker-dealer or anyone related to a broker dealer.
3. Outside of TD or Schwab (see above) The Advocates does NOT require or recommend that clients execute transactions through a specified broker-dealer.
- B. Anytime when, during a single day, we place a trade for at least two clients in the same security, we aggregate the purchase or sale of that security into a single order and allocate the shares or proceeds to the clients pro-rata via their purchase/sale size. Note, this does not apply to mutual funds as their orders cannot be aggregated.
- C. The Advocates' Chief Compliance Officer, Anna Banks, remains available to address any questions that a client or prospective client may have regarding the above arrangements and any corresponding perceived conflict of interest such arrangements may create.

## Item 13 – Review of Accounts

Every client relationship is assigned a primary and secondary advisor. A client's primary advisor reviews all client portfolios on at least a quarterly basis, and compares each clients' overall portfolio with the respective model portfolio assigned to the client to ensure the



# THE ADVOCATES

portfolio is: (i) suitable to the respective client's investment objectives; (ii) meets that client's quality standards; and (iii) to make sure that their investment objectives are still pertinent to the managed account arrangement. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, client deposits and withdrawals or the market economic or political environment. The Advocates' monitoring process includes a daily review of all transactions affecting each account. On a daily basis, all accounts are reconciled by electronic means between The Advocates' portfolio accounting/management system (Schwab's software, PortfolioCenter & Advisorview by Envestnet/Tamarac) and the brokers of record of The Advocates' (primarily Schwab and TD Ameritrade). Other trigger points include a review of called or maturing securities or other notable events (e.g. material change in a client's financial or personal circumstances). On a quarterly basis, The Advocates provides comprehensive reporting to each client and periodic meetings or teleconferences with each client are typically conducted to review the portfolio status and to reaffirm the basic premises behind the client's allocation. Additionally, The Advocates uses a risk assessment tool called Finametrica. The Advocates has all clients take the assessment at least every 3 years to help determine any changes in their risk profile. Finally, we also utilize a sophisticated trading and rebalancing software ( Tamarac Rebalancer) that allows us to easily see which clients' portfolios are out of tolerance with their set model portfolio, when they have excess cash and when cash needs to be raised. For our financial planning clients, we prefer to meet twice annually, but at least once a year. During these meetings we receive updates on changes that have occurred in their lives or financial situation since we last spoke and how those changes might affect our management of their portfolio.

## **Item 14 – Client Referrals and Other Compensation**

- A. The Advocates does NOT receive any economic benefit from anyone except our clients for providing investment advice to our clients. As referenced in Item 12.A.1 above, The Advocates may receive an economic benefit from *TD Ameritrade* and/or *Schwab*. The Advocates, without cost (and/or at a discount), may receive support services and/or products from *TD Ameritrade* or *Schwab*. The Advocates' clients do not pay more for investment transactions effected and/or assets maintained at *TD Ameritrade* or *Schwab* as a result of this arrangement. There is no corresponding commitment made by The Advocates to *TD Ameritrade* or *Schwab*, or any other entity, to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.
- B. One or more professionals at our firm are members of the Paladin Registry ([www.paladinregistry.com](http://www.paladinregistry.com)). Investors use Registry services to learn about financial advisors, to learn how to avoid bad financial advice, to learn how to select quality

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advisors, to search for new or replacement advisors, and to view documentation for Registry advisors' credentials, ethics, and business practices. The Registry also matches The Advocates with investors who use its search and documentation services. Our firm pays fixed monthly fees to Paladin for professionals who are members of the Registry. Paladin has relationships with websites and companies (Partners) whose members, clients, users, or customers have linked access to Registry services. Paladin uses membership and match fees to create visibility for the Registry on the Internet and in the media, develop relationships with Partners, and provide free public services to investors. Paladin is registered with the SEC and they fully disclose Registry services and membership dues to investors who use the Registry to find advisors and review documentation. In addition, Paladin has a Terms of Service document that applies to all investors who use its services and a Service Agreement that applies to financial professionals who are profiled in the Registry.

## **Item 15 – Custody**

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. The Advocates urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

The Advocates has custody of client accounts at our primary custodians only for the specific purpose of debiting management fees according to the client's fee schedule.

The Advocates has custody of assets held in 529 CollegeAmerica Plans at American Funds due to the ability to pay tuition directly to the beneficiary's institution of higher learning without client authorization. Additionally, we may have custody over certain "held away" managed assets (mainly 401k plans). For this reason we have engaged Ashland Partners, LP (a PCOAB certified accounting firm) to conduct annual surprise exams of the aforementioned accounts.

The Advocates is investment manager to a private fund, SoTex Housing, LP. Client assets invested in SoTex Housing, LP are under custody at The Advocates. SoTex Housing, LP is subject to annual financial audits by the independent public accounting firm, Harper & Pearson Company, P.C.

# THE ADVOCATES

## **Item 16 – Investment Discretion**

The Advocates always receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account. Further, at the inception of a new client relationship, The Advocates always details the names and dollar amounts of the securities that will be initially purchased by in the client's account(s); getting the client's verbal approval at a presentation meeting before moving forward with any trading. We obtain trading, disbursement and fee payment authorization in conjunction with client account openings.

When selecting securities and determining amounts, we observe the investment policies, limitations and restrictions of the clients for which we advise.

## **Item 17 – Voting *Client* Securities**

As a matter of firm policy and practice, The Advocates does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Clients will receive their proxies and other solicitations directly from their custodian or a transfer agent, not from us. If a client wishes to discuss a proxy they may call or email us to ask us our advice regarding voting the proxy.

## **Item 18 – Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about The Advocates' financial condition. We have no financial commitments that impair our ability to meet contractual and fiduciary commitments to clients, and have not been the subject of a bankruptcy proceeding.

ANY QUESTIONS: The Advocates' Chief Compliance Officer, Anna Banks, remains available to address any questions regarding this Part 2A.



Item 1- Cover Page

Your Advocates Ltd., LLP

DBA “The Advocates”

Form ADV Part 2B – Individual Disclosure Brochure

for

Paul Edwin Palmer, Jr.

Your Advocates Ltd., LLP

DBA “The Advocates”

920 Memorial City Way Ste. 250, Houston, TX 77024

Phone: 713 827-8014

Website: [www.youradvocates.com](http://www.youradvocates.com)

Email: [paul@youradvocates.com](mailto:paul@youradvocates.com)

March 22, 2017

**This Brochure Supplement provides information about Paul Edwin Palmer, Jr. that supplements the Your Advocates Ltd., LLP Brochure. You should have received a copy of that Brochure. Please contact Anna Banks. if you did not receive Your Advocates’ Brochure or if you have any questions about the contents of this supplement.**

**Additional information about Paul Palmer, Jr. is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

# THE ADVOCATES

## Item 2- Educational Background and Business Experience

Paul E. Palmer, Jr. - Born 1958

### Education Background:

Graduated with a BS degree in Business Administration from Louisiana State University in 1980. Mr. Palmer also earned his Certified Financial Planner (CFP®) designation in 1986 and the Chartered Life Underwriter (CLU®) designation in 1996 and is a graduate of the College For Financial Planning's CFP Certification Education Program.

### Additional Information on Professional Designations:

- **CFP:** The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (collectively, the “CFP® marks”) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP Board”).

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 62,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board’s studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor’s Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board’s financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination – Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one’s ability to correctly diagnose financial planning issues and apply one’s knowledge of financial planning to real world circumstances;
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board’s Standards of Professional Conduct, a set of documents outlining the ethical and practice standards for CFP® professionals.

# THE ADVOCATES

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the Code of Ethics and other parts of the Standards of Professional Conduct, to maintain competence and keep up with developments in the financial planning field; and
- Ethics – Renew an agreement to be bound by the Standards of Professional Conduct. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

- **CLU:** To receive the CLU® designation, you must successfully complete all courses in your selected program, meet experience requirements and ethics standards, and agree to comply with The American College Code of Ethics and Procedures.

## Business Background:

10/2005 – Present: Your Advocates Ltd., LLP, Managing Principal

10/2005 – Present: Cypress Advisory Management, Inc., President

10/1993 – 10/2005 - Cypress Advisory Services, a sole proprietorship, President/Owner

## Item 3- Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

## Item 4- Other Business Activities

As detailed in The Advocates' ADV Part II A Item 10C, Your Advocates Ltd., LLP Ltd., LLP is licensed as an insurance agency with Paul E. Palmer and Coleman E. Campbell as agents holding their Texas General Lines insurance license. In this capacity The Advocates acts as a broker for term and permanent life insurance, disability insurance, fixed rate annuities, and long-term care insurance. These insurance products are risk management tools and may be appropriate and suitable for many clients. Since The Advocates has found that sending the client to another company to purchase the above insurance does not typically result in a discount, The Advocates offers to serve as the client's representative and broker of record in the purchase. The commissions are always fully disclosed to the client and it is

# THE ADVOCATES

only at the request of our clients that we represent them as an insurance broker in the insurance marketplace. Additionally, the client is informed that they can always use an outside broker for their insurance purchases. The insurance activities comprise less than 5% of our business activities. As such, associated persons of The Advocates are licensed insurance brokers and sell insurance products (i.e. term life, disability, and long-term care) to the clients of The Advocates.

## **Item 5- Additional Compensation**

Paul Palmer, Jr. does not receive any economic benefits, sales awards, or other compensation in connection with providing advisory services to clients.

## **Item 6 - Supervision**

Paul Palmer, Jr. serves in multiple capacities for The Advocates including:

- Managing Principal and Limited Partner
- Business development
- Internal accounting
- Client financial plan preparation
- Client insurance analysis
- Client estate planning

We recognize that the lack of segregation of duties may potentially create conflicts of interest, however, our policies and procedures ensure timely and accurate recordkeeping and supervision, and all client financial plans and major portfolio shifts (i.e. not portfolio rebalancing) are jointly reviewed with all business partners prior to implementation. Paul Palmer, Jr., Kurt Box and Cole Campbell are the only partners at Your Advocates Ltd., LLP and as such, are responsible for supervision of all business and advisory activities.

## **Item 7- Requirements for State-Registered Advisers**

State registered investment adviser representatives are required to disclose all material facts regarding certain legal, disciplinary or financial events that would be material to the evaluation of the representative. Paul Palmer, Jr. is currently not subject to, nor has ever been subject to, any legal, disciplinary or financial events of a this nature.



Item 1- Cover Page

Your Advocates Ltd., LLP

DBA "The Advocates"

Form ADV Part 2B – Individual Disclosure Brochure  
for

Kurt Louis Box

Your Advocates Ltd., LLP

DBA "The Advocates"

920 Memorial City Way Ste. 250, Houston, TX 77024

Phone: 713 827-8014

Website: [www.youradvocates.com](http://www.youradvocates.com)

Email: [kurt@youradvocates.com](mailto:kurt@youradvocates.com)

March 22, 2017

**This Brochure Supplement provides information about Kurt Box that supplements the Your Advocates., LLP Brochure. You should have received a copy of that Brochure. Please contact Anna Banks if you did not receive Your Advocates' Brochure or if you have any questions about the contents of this supplement.**

**Additional information about Kurt Box is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**



## Item 2- Educational Background and Business Experience

Kurt Louis Box - Born 1976

### Education Background:

Graduated Magna Cum Laude with a BS degree in Accounting from Texas A&M University and Master's of Science (MS) in Finance from Texas A&M University. Mr. Box has also earned his Certified Financial Planner (CFP®) designation, the Accredited Investor Advisor (AIF) designation and is a graduate of the College For Financial Planning's CFP Certification Education Program.

### Additional Information on Professional Designations:

- **CFP:** The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (collectively, the "CFP® marks") are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. ("CFP Board").

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 62,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board's studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor's Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination – Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances;
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board's Standards of Professional Conduct, a set of documents outlining the ethical and practice standards for CFP® professionals.

# THE ADVOCATES

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the Code of Ethics and other parts of the Standards of Professional Conduct, to maintain competence and keep up with developments in the financial planning field; and
- Ethics – Renew an agreement to be bound by the Standards of Professional Conduct. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

- **AIF:** The AIF designation certifies that the recipient has specialized knowledge of fiduciary standards of care and their application to the investment management process. To receive the AIF designation, individuals must complete a training program, successfully pass a comprehensive, closed-book final examination under the supervision of a proctor and agree to abide by the AIF Code of Ethics. In order to maintain the AIF designation, the individual must annually renew their affirmation of the AIF Code of Ethics and complete six hours of continuing education credits. The certification is administered by the Center for Fiduciary Studies, LLC (a Fiduciary360 (fi360) company).

## Business Background:

10/2005 - Present: Your Advocates Ltd., LLP, Principal and Chief Compliance Officer

04/2003 - 10/2005 - Cypress Advisory Services, Principal

01/2001 – 04/2003 – Sanders Morris Harris, Investment Banking Analyst

06/2000 – 12/2001 – Tenfold Corporation, Software Developer

## Item 3- Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

## Item 4- Other Business Activities

As detailed in The Advocates' ADV Part II A Item 10C, Your Advocates, Ltd., LLP is licensed as an insurance agency with Paul E. Palmer and Coleman E. Campbell as agents holding their Texas General Lines insurance license. In this capacity The Advocates acts as a broker for term and permanent life insurance, disability insurance, fixed rate annuities, and long-term care insurance. These insurance products are risk management tools and may be

# THE ADVOCATES

appropriate and suitable for many clients. Since The Advocates has found that sending the client to another company to purchase the above insurance does not typically result in a discount, The Advocates offers to serve as the client's representative and broker of record in the purchase. The commissions are always fully disclosed to the client and it is only at the request of our clients that we represent them as an insurance broker in the insurance marketplace. Additionally, the client is informed that they can always use an outside broker for their insurance purchases. The insurance activities comprise less than 5% of our business activities. As such, associated persons of The Advocates are licensed insurance brokers and sell insurance products (i.e. term life, disability, and long-term care) to the clients of The Advocates.

## **Item 5- Additional Compensation**

Kurt Box does not receive any economic benefits, sales awards, or other compensation in connection with providing advisory services to clients.

## **Item 6 - Supervision**

Kurt Box serves in multiple capacities for The Advocates including:

- Principal and Limited Partner
- Client financial plan preparation
- Client portfolio management and trading
- Client tax planning (not preparation)
- Chief Compliance Officer

We recognize that the lack of segregation of duties may potentially create conflicts of interest. However, our policies and procedures ensure timely and accurate recordkeeping and supervision, and all client financial plans and major portfolio shifts (i.e. not portfolio rebalancing) are discussed with and reviewed by another The Advocates partner prior to implementation. Paul Palmer, Jr., Kurt Box and Cole Campbell are the only partners at Your Advocates Ltd., LLP and as such, are responsible for supervision of all business and advisory activities.



Item 1- Cover Page

Your Advocates Ltd., LLP

DBA "The Advocates"

Form ADV Part 2B – Individual Disclosure Brochure  
for

Coleman Edward Campbell

Your Advocates Ltd., LLP

DBA "The Advocates"

920 Memorial City Way Ste. 250, Houston, TX 77024

Phone: 713 827-8014

Website: [www.youradvocates.com](http://www.youradvocates.com)

Email: [cole@youradvocates.com](mailto:cole@youradvocates.com)

March 22, 2017

**This Brochure Supplement provides information about Coleman Edward Campbell that supplements the Your Advocates Ltd., LLP Brochure. You should have received a copy of that Brochure. Please contact Anna Banks if you did not receive The Advocates' Brochure or if you have any questions about the contents of this supplement.**

**Additional information about Coleman Edward Campbell is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

# THE ADVOCATES

## Item 2- Educational Background and Business Experience

Coleman E. Campbell - Born 1969

### **Education Background:**

Attended Sam Houston State University in Business Administration, did not graduate. Mr. Campbell also earned his Certified Financial Planner (CFP®) designation and the Chartered Life Underwriter (CLU®) designation.

### **Additional Information on Professional Designations:**

- **CFP:** The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (collectively, the “CFP® marks”) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP Board”).

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 62,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board’s studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor’s Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board’s financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination – Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one’s ability to correctly diagnose financial planning issues and apply one’s knowledge of financial planning to real world circumstances;
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board’s Standards of Professional Conduct, a set of documents outlining the ethical and practice standards for CFP® professionals.

# THE ADVOCATES

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the Code of Ethics and other parts of the Standards of Professional Conduct, to maintain competence and keep up with developments in the financial planning field; and
- Ethics – Renew an agreement to be bound by the Standards of Professional Conduct. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

- **CLU:** To receive the CLU® designation, you must successfully complete all courses in your selected program, meet experience requirements and ethics standards, and agree to comply with The American College Code of Ethics and Procedures.

Business Background:

05/2012 – Present: Your Advocates Ltd., LLP, Principal

09/1996-05/2012: Capstone Wealth Group an office of MetLife, Senior Financial Planner

## Item 3- Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

## Item 4- Other Business Activities

As detailed in The Advocates' ADV Part II A Item 10C, Your Advocates Ltd., LLP is licensed as an insurance agency with Paul E. Palmer and Coleman E. Campbell as agents holding their Texas General Lines insurance license. In this capacity The Advocates acts as a broker for term and permanent life insurance, disability insurance, fixed rate annuities, and long-term care insurance. These insurance products are risk management tools and may be appropriate and suitable for many clients. Since The Advocates has found that sending the client to another company to purchase the above insurance does not typically result in a discount, The Advocates offers to serve as the client's representative and broker of record in the purchase. The commissions are always fully disclosed to the client and it is only at the request of our clients that we represent them as an insurance broker in the insurance marketplace. Additionally, the client is informed that they can always use an outside

# THE ADVOCATES

broker for their insurance purchases. The insurance activities comprise less than 5% of our business activities. As such, associated persons of The Advocates are licensed insurance brokers and sell insurance products (i.e. term life, disability, and long-term care) to the clients of The Advocates.

## **Item 5- Additional Compensation**

Mr. Campbell does not receive any economic benefits, sales awards, or other compensation in connection with providing advisory services to clients.

## **Item 6 - Supervision**

Coleman Campbell serves in multiple capacities for The Advocates including:

- Principal and Limited Partner
- Business development
- Client financial plan preparation
- Client insurance analysis
- Client estate planning

We recognize that the lack of segregation of duties may potentially create conflicts of interest, however, our policies and procedures ensure timely and accurate recordkeeping and supervision, and all client financial plans and major portfolio shifts (i.e. not portfolio rebalancing) are jointly reviewed with all business partners prior to implementation. Paul Palmer, Jr., Kurt Box and Cole Campbell are the only partners at Your Advocates Ltd., LLP and as such, are responsible for supervision of all business and advisory activities.

## **Item 7- Requirements for State-Registered Advisers**

State registered investment adviser representatives are required to disclose all material facts regarding certain legal, disciplinary or financial events that would be material to the evaluation of the representative. Coleman Campbell is currently not subject to, nor has ever been subject to, any legal, disciplinary or financial events of a this nature.



Item 1- Cover Page

## Form ADV Part 2B – Individual Disclosure Brochure

for

Adam Glenn Frinsco

Your Advocates Ltd., LLP

DBA “The Advocates”

920 Memorial City Way Ste. 250, Houston, TX 77024

Phone: 713 827-8014

Website: [www.youradvocates.com](http://www.youradvocates.com)

Email: [adam@youradvocates.com](mailto:adam@youradvocates.com)

March 22, 2017

**This Brochure Supplement provides information about Adam Frinsco that supplements the Your Advocates Ltd., LLP Brochure. You should have received a copy of that Brochure. Please contact Anna Banks if you did not receive The Advocates’ Brochure or if you have any questions about the contents of this supplement.**

**Additional information about Adam Frinsco is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**



## Item 2- Educational Background and Business Experience

Adam Glenn Frinsco - Born 1984

### Education Background:

Graduated with a Bachelor of Arts (BA) degree in Communication Studies and a minor in Psychology from Texas Tech University, and a Master's of Science (MS) in Personal Financial Planning from Texas Tech University. Mr. Frinsco also attended New York University's branch campus in Prague, CZ to study International Accounting abroad. Mr. Frinsco has earned his Certified Financial Planner (CFP®) designation, and has passed all 3 levels of the Chartered Market Technician Exam, and is currently completing his experience requirements so that he can use the designation.

### Additional Information on Professional Designations:

- **CFP:** The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (collectively, the "CFP® marks") are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. ("CFP Board").

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 62,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board's studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor's Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination – Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances;
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and

# THE ADVOCATES

- Ethics – Agree to be bound by CFP Board’s Standards of Professional Conduct, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the Code of Ethics and other parts of the Standards of Professional Conduct, to maintain competence and keep up with developments in the financial planning field; and
- Ethics – Renew an agreement to be bound by the Standards of Professional Conduct. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board’s enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

## Business Background:

10/2013 – Present - Your Advocates Ltd., LLP, Financial Planner

01/2010 - 10/2013 – Sequent Asset Management, Financial Advisor

05/2008 – 08/2008 – Kanaly Trust Co., Financial Planning Intern

## Item 3- Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

## Item 4- Other Business Activities

Adam Frinsco has no other business activities to disclose at this time.

## Item 5- Additional Compensation

Adam Frinsco does not receive any economic benefits, sales awards, or other compensation in connection with providing advisory services to clients.

## Item 6 - Supervision

The three principles of Your Advocates Ltd., LLP, Paul Palmer, Cole Campbell, and Kurt Box are responsible for supervising Mr. Frinsco. They may be contacted at (713) 827-8014.