

## ITEM 1: COVER PAGE – BROCHURE – FORM ADV 2A

### **CLEAR SKY FINANCIAL, LP**

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This brochure provides information about the qualifications and business practices of Clear Sky Financial, LP. If you have any questions about the contents of this brochure, please contact us at 214.440.3615. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Clear Sky Financial, LP also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## ITEM 2: MATERIAL CHANGES

Since our last annual updating amendment filed on March 22, 2023, there have been no material changes.

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### Important Information

Throughout this document Clear Sky Financial, LP shall also be referred to as the “CSF”, “firm,” “our,” “we” or “us.”

## ITEM 4: ADVISORY BUSINESS

### A. BUSINESS AND OWNER

Clear Sky Financial, LP was founded in 2018 and is in Prosper, Texas. The firm's general partner is Clear Sky Financial, LLC whose members are Andrew L. Hickey, John W. Paulson, and Randy L. Smith.

### B. ADVISORY SERVICES OFFERED

#### Investment Management

Clients authorize CSF to purchase and sell securities on a discretionary basis pursuant to an investment objective chosen by the client. This authority is set out in an investment advisory agreement between CSF and the client. CSF obtains the necessary financial data from the client, assists the client in determining the suitability of the advisory services and assists the client in setting the appropriate investment objective. The firm provides ongoing investment advice and management that is tailored to the individual needs of the client. Depending on the specific engagement, the types of securities that CSF may purchase and sell include, but are not limited to, interests in mutual funds, closed-end funds, leveraged, inverse and other exchange-traded funds (ETFs) and exchange-traded notes (ETNs), interests in real estate investment trusts (REITs), common or preferred stock, master limited partnership interests (MLPs), business development companies (BDCs), convertible stocks or bonds, options, warrants, rights, certificates of deposit, variable annuities, corporate bonds, municipal bonds, government bonds, notes and bills. CSF may also engage, contract, and hire third-party investment advisers for the account.

#### Financial Planning and Consulting

CSF provides personal financial planning tailored to the individual needs of the client. These services may include, as selected by the client on the financial planning agreement: information and recommendations regarding client goals and objectives; net worth statement; cash flow analysis; tax planning; education planning; risk management review; financial independence analysis; retirement plan strategies; estate planning; investment planning; and business planning. The services consider information collected from the client such as financial circumstances, tax status, suitability, and investment objectives, among other data. CSF delivers to the client a written or digital financial plan. The engagement terminates upon delivery of the financial plan unless the client has selected periodic strategy sessions with plan implementation or financial planning renewal services.

CSF provides consulting services on an hourly basis. These services are selected by the client in the Financial Planning Agreement. CSF may or may not deliver to the client a written analysis or report as part of the consulting services. CSF tailors the hourly consulting services to the individual needs of the client based on the objective chosen by the client. The engagement terminates upon final consultation with the client.

For Financial Planning and Consulting, CSF makes recommendations as to general types of investment products or securities that may be appropriate for client to consider and may also provide recommendations regarding specific investments or securities.

### C. CLIENT NEEDS AND RESTRICTIONS

When providing our services, we tailor our approach to each client's financial circumstances, tax status, suitability, and investment objectives, as set forth in the appropriate client agreement. CSF allows clients to impose reasonable restrictions on the management of the account. Reasonable restrictions, including special instructions and limitations, regarding the investment management must be provided in writing and must be security specific.

It is each client's responsibility to promptly notify CSF if there is any change in financial circumstances, tax status, suitability, or investment objectives or if they wish to impose reasonable restrictions upon CSF's services.

### D. WRAP FEE PROGRAMS

Not applicable.

## E. ASSETS UNDER MANAGEMENT

As of December 31, 2023, the firm has \$106,927,657 in discretionary assets under management.

## ITEM 5: FEES AND COMPENSATION

### A. FEE DESCRIPTION AND SCHEDULE

#### Investment Management

The fee will be assessed quarterly in advance based on a percentage per annum of the fair market value of all assets in the client's account as determined by the account's custodian on the first trading day of the quarter. The percentage per annum will be determined by CSF and agreed to by the client based on a number of factors such as assets under management, time and complexity, but will not exceed 2%.

For any partial quarter, fees will be calculated pro-rata based upon the number of days the account was open in that quarter. In the event of significant deposits to or withdrawals from the account during a calendar quarter, an adjustment will be made to the fees payable for the following calendar quarter to account for such deposits or withdrawals. Fees are negotiable.

#### Financial Planning

Fees for financial planning are charged on an hourly or flat fee basis, as more fully described in the Financial Planning Agreement.

**Hourly:** Based on the initial information CSF receives from the client, CSF will provide an estimated fee for the initial case analysis, initial financial plan, and plan implementation which will be based on the complexity and length the engagement, services provided and on an hourly rate that will not exceed \$500 per hour depending upon the skill, experience, and expertise of the representative (IAR) providing the services.

**Flat Fee:** Based on the initial information Adviser has received from Client, CSF will provide a flat fee for the initial case analysis, initial financial plan, and plan implementation which will be based on the complexity and length the engagement and services provided. Generally, the client will pay CSF one-half of the fees in advance before the commencement of CSF's work. The second half of the flat fee will be paid upon completion of the initial financial plan document, or at another time, as agreed by the client and CSF. Flat fees will not exceed \$15,000.

Clients should understand that the financial planning or hourly consulting fee client negotiates with CSF may be higher than the fees charged by other investment advisors for similar services. CSF is responsible for determining the fee to charge each client based on factors such as total amount of assets involved in the relationship, the complexity of the planning services, and the number and range of supplementary advisory and client-related services to be provided. Clients should consider the level and complexity of the planning services to be provided when negotiating the fee.

### B. FEE DEDUCTION

#### Investment Management

The custodian will deduct from the account and pay CSF its fees each quarter after CSF submits a bill to the custodian; provided, however, fees to be deducted from a retirement account shall not exceed the fees attributable to the services provided to such account. Client is responsible for verifying fee computations since custodians are not typically asked to perform this task. The custodian will send client a quarterly statement showing all amounts paid from the account, including our fees.

#### Financial Planning

If a client's assets are maintained by the custodian, the client will authorize, and agree to instruct, the custodian to deduct and pay CSF's fee, as described above.

If a client's assets are not maintained with a custodian recommended by CSF, the client will be billed, and client will agree to pay all such fees within 30 days of client's receipt of an invoice from CSF.

## C. THIRD PARTY FEES AND EXPENSES

Clients may also incur certain charges imposed by unaffiliated third parties. Such charges may include, but are not limited to, professional fees (attorneys or accountants), custodial fees, brokerage commissions, transaction fees, certain 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.

If CSF buys shares of mutual funds, ETFs, or other investment companies (such as closed-end funds) for its clients, these shares will be included in calculating the value of the account when CSF's fees are determined. Clients understand that the same assets will also be subject to additional advisory and other fees and expenses, which are described in the prospectuses of those funds, paid by the funds but ultimately borne by the client.

Further, when adviser appoints a sub-adviser to manage assets, these assets will be subject to the fees charged (and expenses incurred) by the sub-adviser.

CSF will not receive any portion of these fees or expenses.

## D. ADVANCE PAYMENT OF FEES AND TERMINATION

### Investment Management

Either party has the right to terminate the relationship at any time by notifying the other in writing; such termination will be effective immediately after receipt of such notice. If a client terminates the relationship within five business days of signing the Investment Advisory Agreement, the client is entitled to a waiver of any pro-rated fees due to CSF. There is no penalty or termination fee for terminating the Investment Advisory Agreement at any time. On the termination, CSF will have no obligation to recommend or take any action regarding the securities, cash, or other investments.

In the event the Investment Advisory Agreement is terminated prior to the end of a quarter, any fees collected in advance will be refunded on a pro rata basis for the number of days remaining in such quarter.

### Financial Planning

In the event the Financial Planning Agreement is terminated prior to the full delivery of services, any unearned fees collected in advance will be refunded.

## E. COMPENSATION FOR THE SALE OF SECURITIES OR OTHER INVESTMENT PRODUCTS

Some of our IARs are licensed with the Texas Department of Insurance. They can offer fixed insurance products for which they will receive commissions from the insurance companies through an independent insurance agency.

IARs who offer fee based and commission-based products are subject to a conflict of interest. It is a conflict of interest because it provides an incentive to recommend products based on the commissions. We mitigate this conflict by disclosing the relationship to our clients, by conducting our operations in accordance with our fiduciary duty and by following our firm's code of ethics.

Please note: The independent insurance agencies pay commissions fees directly to the IAR. CSF does not receive a portion of these commissions. Clients have the option to purchase investment products that we recommend through other broker-dealers, advisers or agents that are not affiliated with CSF.

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

Not applicable.

## ITEM 7: TYPES OF *CLIENTS*

CSF offers services to individuals and high net worth individuals, as well as their trusts and estates; pension and profit-sharing plans together with participants in such plans; charitable organizations; and corporations and other business entities.

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

### A. ANALYSIS AND INVESTMENT STRATEGIES

Each of our representatives chooses his or her own research and analysis methods, investment style and management philosophy. Methods of analysis may include but not be limited to modern portfolio theory, technical analysis, and fundamental analysis.

- Modern portfolio theory is premised on the idea that portfolios can be constructed with asset allocation/diversification to optimize or maximize expected return based on a given level of market risk, emphasizing that risk is an inherent part of higher reward.
- Technical analysis uses historical market data, including price and volume, to try to predict future market behavior.
- Fundamental analysis evaluates securities in an attempt to assess their intrinsic value, by examining related economic, financial, and other qualitative and quantitative factors.

Information is obtained from financial newspapers, research materials prepared by non-associated persons of the firm, corporate rating services, as well as annual reports, prospectuses, and filings with the SEC. It is important to note that no methodology or investment strategy is guaranteed to be successful or profitable.

CSF constructs asset allocation model portfolios and provides recommendations on the funds to populate those models. These model portfolios may be used in determining investment advice provided to clients. Although these descriptions are written in terms of individual equities and/or bonds, they include mutual funds or ETFs whose portfolios consist of the type of equities or bonds referenced.

**Diversified.** The diversified investment strategy seeks to promote capital appreciation while taking a reasonable amount of risk to achieve that goal. The strategy is subject to minimal constraints. In general, diversified portfolios should be considered by investors seeking investments in primarily stocks and bonds, along with the occasional non-traditional asset class to take advantage of potential market opportunities. If a non-traditional asset class represents the investment that provides the most appropriate means of taking advantage of a market opportunity, it will be included in the recommendation. These portfolios tend to remain consistently diversified.

**Alternative.** The alternative strategy seeks to promote capital appreciation while taking a reasonable amount of risk to achieve that goal. This portfolio typically has an allocation to non-traditional asset classes. This strategy extends the diversification beyond the core style box asset classes into strategies with lower correlation to stocks and bonds to lower risk, as defined by standard deviation and maximum drawdown (peak to trough loss), while attempting to maintain long-term performance similar to other portfolios in the same investment objective.

### B. RISKS BASED ON ANALYSIS, STRATEGY, OR SECURITY TYPE

Depending on the type of service being provided, CSF can recommend different types of securities, including mutual funds, closed end funds, ETFs, equities, fixed income securities, options, hedge funds, managed futures, and structured products. Investing in securities involves the risk of loss that clients should be prepared to bear. Described below are some risks associated with investing and with some types of investments that an IAR can recommend depending on the service provided.

CSF does not guarantee the future performance of an account, promise any specific level of performance or promise that CSF's investment decisions, strategies or overall management will be successful. The investment decisions CSF will make for clients are subject to various market, currency, economic, political and business risks, and will not necessarily be profitable. In managing a client's account, CSF will not consider any other securities, cash or other investments client owns.

**Market Risk.** This is the risk that the value of securities owned by a client may go up or down, sometimes rapidly or unpredictably, due to factors affecting securities markets generally or particular industries.



**Interest Rate Risk.** This is the risk that fixed income securities will decline in value because of an increase in interest rates; a bond or a fixed income fund with a longer duration will be more sensitive to changes in interest rates than a bond or bond fund with a shorter duration.

**Credit Risk.** This is the risk that a client could lose money if the issuer or guarantor of a fixed income security is unable or unwilling to meet its financial obligations.

**Issuer-Specific Risk.** This is the risk that the value of an individual security or particular type of security can be more volatile than the market as a whole and can perform differently from the value of the market as a whole.

**Investment Company Risk.** To the extent a client account invests in ETFs, mutual funds or other investment companies, its performance will be affected by the performance of those investment companies. These investments are subject to the risks of the investment companies' investments and expenses. The client account may receive distributions of taxable gains from portfolio transactions by the investment company and may recognize taxable gains from transactions in shares of that investment company, which would be taxable when distributed.

**Concentration Risk.** To the extent a client account concentrates its investments by investing a significant portion of its assets in the securities of a single issuer, industry, sector, country or region, the overall adverse impact on the client of adverse developments in the business of such issuer, such industry or such government could be considerably greater than if they did not concentrate their investments to such an extent.

**Sector Risk.** To the extent a client account invests more heavily in particular sectors, industries, or sub-sectors of the market, its performance will be especially sensitive to developments that significantly affect those sectors, industries, or subsectors. An individual sector, industry, or sub-sector of the market may be more volatile, and may perform differently, than the broader market. The several industries that constitute a sector may all react in the same way to economic, political or regulatory events. A client account's performance could be affected if the sectors, industries, or sub-sectors do not perform as expected. Alternatively, the lack of exposure to one or more sectors or industries may adversely affect performance.

**Alternative Strategy Mutual Funds.** Certain mutual funds invest primarily in alternative investments and/or strategies. Investing in alternative investments and/or strategies may not be suitable for all investors and involves special risks, such as risks associated with commodities, real estate, leverage, selling securities short, the use of derivatives, potential adverse market forces, regulatory changes and potential illiquidity. There are special risks associated with mutual funds that invest principally in real estate securities, such as sensitivity to changes in real estate values and interest rates and price volatility because of the fund's concentration in the real estate industry. These types of funds tend to have higher expense ratios than more traditional mutual funds. They also tend to be newer and have less of a track record or performance history.

**Closed-End/Interval Funds.** Certain closed-end funds may not give clients the right to redeem their shares, and a secondary market may not exist. Therefore, clients may be unable to liquidate all or a portion of their shares in these types of funds. While the fund may from time to time offer to repurchase shares, it is not obligated to do so (unless it has been structured as an "interval fund"). In the case of interval funds, the fund will provide limited liquidity to shareholders by offering to repurchase a limited number of shares on a periodic basis, but there is no guarantee that clients will be able to sell all of the shares in any particular repurchase offer. The repurchase offer program may be suspended under certain circumstances.

**Exchange-Traded Funds (ETFs).** ETFs are typically investment companies that are classified as open-end mutual funds or UITs. However, they differ from traditional mutual funds because ETF shares are listed on a securities exchange. Shares can be bought and sold throughout the trading day like shares of other publicly traded companies. ETF shares may trade at a discount or premium to their net asset value. This difference between the bid price and the ask price is often referred to as the "spread." The spread varies over time based on the ETF's trading volume and market liquidity and is generally lower if the ETF has a lot of trading volume and market liquidity and higher if the ETF has little trading volume and market liquidity. Although many ETFs are registered as an investment company under the Investment Company Act of 1940 like traditional mutual funds, some ETFs, in particular those that invest in commodities, are not registered as an investment company. ETFs may be closed and liquidated at the discretion of the issuing company.

**Exchange-Traded Notes (ETNs).** An ETN is a senior unsecured debt obligation designed to track the total return of an underlying market index or other benchmark. ETNs may be linked to a variety of assets, for example, commodity



futures, foreign currency and equities. ETNs are similar to ETFs in that they are listed on an exchange and can typically be bought or sold throughout the trading day. However, an ETN does not have a net asset value; the ETN trades at the prevailing market price. Some of the more common risks of an ETN are as follows: the repayment of the principal, interest (if any), and the payment of any returns at maturity or upon redemption are dependent upon the ETN issuer's ability to pay. In addition, the trading price of the ETN in the secondary market may be adversely impacted if the issuer's credit rating is downgraded. The index or asset class for performance replication in an ETN may or may not be concentrated in a specific sector, asset class or country and may therefore carry specific risks. ETNs may be closed and liquidated at the discretion of the issuing company.

**Leveraged and Inverse ETFs, ETNs and Mutual Funds.** Leveraged ETFs, ETNs and mutual funds, sometimes labeled "ultra" or "2x" for example, are designed to provide a multiple of the underlying index's return, typically on a daily basis. Inverse products are designed to provide the opposite of the return of the underlying index, typically on a daily basis. These products are different from and can be riskier than traditional ETFs, ETNs and mutual funds. Although these products are designed to provide returns that generally correspond to the underlying index, they may not be able to exactly replicate the performance of the index because of fund expenses and other factors. This is referred to as tracking error. Continual resetting of returns within the product may add to the underlying costs and increase the tracking error. As a result, this may prevent these products from achieving their investment objective. In addition, compounding of the returns can produce a divergence from the underlying index over time, in particular for leveraged products. In highly volatile markets with large positive and negative swings, return distortions may be magnified over time. Some deviations from the stated objectives, to the positive or negative, are possible and may or may not correct themselves over time. To accomplish their objectives, these products use a range of strategies, including swaps, futures contracts and other derivatives. These products may not be diversified and can be based on commodities or currencies. These products may have higher expense ratios and be less tax-efficient than more traditional ETFs, ETNs and mutual funds.

**Options.** Certain types of option trading are used to generate income or hedge a security held in a client account; namely, the selling (writing) of covered call options or the purchasing of put options on a security held in a client account. Clients should be aware that the use of options involves additional risks. The risks of covered call writing include the potential for the market to rise sharply. In such case, the security may be called away and the account will no longer hold the security. The risk of buying long puts is limited to the loss of the premium paid for the purchase of the put if the option is not exercised or otherwise sold by the account.

**Hedge Funds and Managed Futures.** Hedge and managed futures funds may be purchased by clients meeting certain qualification standards. Investing in these funds involves additional risks including, but not limited to, the risk of investment loss due to the use of leveraging and other speculative investment practices and the lack of liquidity and performance volatility. In addition, these funds are not required to provide periodic pricing or valuation information to investors and may involve complex tax structures and delays in distributing important tax information. Clients should be aware that these funds are not liquid as there is no secondary trading market available. At the absolute discretion of the issuer of the fund, there may be certain repurchase offers made from time to time. However, there is no guarantee that client will be able to redeem the fund during the repurchase offer.

**Business Development Companies (BDCs).** BDCs are typically closed-end investment companies. Some BDCs primarily invest in the corporate debt and equity of private companies and may offer attractive yields generated through high credit risk exposures amplified through leverage. As with other high-yield investments, such as floating-rate/leveraged loan funds, private real estate investment trusts ("REITs") and limited partnerships, investors are exposed to significant market, credit and liquidity risks. In addition, fueled by the availability of low-cost financing, BDCs run the risk of over-leveraging their relatively illiquid portfolios. Due to the illiquid nature of non-traded BDCs, investors' exit opportunities may be limited only to periodic share repurchases by the BOC at high discounts.

Although diversification is not a guarantee against loss, it can be an effective strategy to help manage investment risk.

## ITEM 9: DISCIPLINARY INFORMATION

Not applicable.

## ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

### A. RELATIONSHIP WITH A FIRM REGULATED BY FINRA

Not applicable.

## B. RELATIONSHIP WITH A FIRM REGULATED BY THE CFTC

Not applicable.

## C. OTHER RELATIONSHIP – CONFLICTS OF INTEREST

Some of our IARs are licensed with the Texas Department of Insurance. They can offer fixed insurance products for which they will receive commissions from the insurance companies through an independent insurance agency.

IARs who offer fee based and commission-based products are subject to a conflict of interest. It is a conflict of interest because it provides an incentive to recommend products based on the commissions. We mitigate this conflict by disclosing the relationship to our clients, by conducting our operations in accordance with our fiduciary duty and by following our firm's code of ethics.

Please note: The independent insurance agencies pay commissions fees directly to the IAR. CSF does not receive a portion of these commissions. Clients have the option to purchase investment products that we recommend through other broker-dealers, advisers or agents that are not affiliated with CSF.

## D. REFERRAL FEES FROM OTHER INVESTMENT ADVISERS

Not applicable.

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

## A. CODE OF ETHICS

CSF's Code of Ethics ("Code") has been designed to comply with the requirements of Rule 204A-1 of the Investment Advisers Act of 1940. Among other things, the Code (i) requires that all employees comply with applicable federal and state securities laws, (ii) requires that access persons submit to CSF reports containing their personal securities holdings and transactions in reportable securities, and that CSF review such reports, (iii) requires access persons to obtain pre-approval of certain personal investments; and (iv) contains policies and procedures designed to prevent the misuse of material, non-public information. All personnel of CSF are required to certify their compliance with the Code of Ethics.

CSF will provide a copy of its Code of Ethics to a client or prospective client upon request.

## B. MATERIAL FINANCIAL INTEREST IN SECURITIES

Not applicable.

## C. SAME SECURITIES TRANSACTIONS

Access persons are permitted to invest their personal trading accounts, subject to certain restrictions, and may in certain circumstances invest in the same or related securities as the clients of CSF, including in some instances doing so at or about the same time as a CSF client transaction is entered.

CSF manages the conflicts of interest inherent in employee personal trading by enforcement of its Code of Ethics, which contains pre-clearance and reporting guidelines. Specifically, CSF's Code requires access persons of CSF to obtain prior written approval from CSF's Chief Compliance Officer before engaging in certain transactions in their personal accounts. The Chief Compliance Officer may only approve the transaction if he concludes that the transaction would comply with the provisions of the Code and is not likely to have any adverse economic impact on clients.

The Chief Compliance Officer reviews each access person's personal transaction reports to make sure each access person is conducting his or her personal securities transactions in a manner that is consistent with the Code.

## D. CONCURRENT SECURITIES TRANSACTIONS

Please refer to Items 11.A, 11.B, and 11.C

## ITEM 12: BROKERAGE PRACTICES

### A. SELECTING AND RECOMMENDING BROKER-DEALERS

CSF will arrange for the execution of securities transactions for client accounts through brokers-dealers that the firm reasonably believes will provide best execution. In selecting a broker-dealer, CSF may consider, among other things, the broker-dealer's execution quality, commission rate, responsiveness, the value of any research provided and financial responsibility. CSF generally will seek competitive commission rates but will not necessarily attempt to obtain the lowest possible commission for transactions. The commissions or transaction costs (including spreads) charged by any broker-dealer may be greater than the amount another firm might charge if the firm determines in good faith that the amount of such commission is reasonable in relation to the value of the brokerage services and research provided by the broker-dealer.

Generally, we will execute transactions through the custodian for the client's account, in general, we recommend that clients establish accounts at, and receive custody, clearing, brokerage and other services from, Charles Schwab & Co., Inc. CSF reserves the right to recommend that clients establish accounts at, and receive such services from, other independent custodians and other service providers in the future. However, in accordance with our duty of best execution, we may use other brokers-dealers to execute trades as more fully described below. Generally, custodians do not charge clients separately for custody services but are compensated by charging commissions or other fees on trades that they execute or that settle into your custodial account. The commission rates applicable to our client accounts were negotiated based on CSF maintaining a minimum of \$65MM in total asset value of client accounts held with the custodian. This requirement presents a conflict of interest in that CSF is incentivized to maintain assets with a single custodian to improve the benefits that our clients and the firm receives, although these benefits and others may be available elsewhere at a lower cost.

In addition to commissions, the custodians charge a flat dollar amount as a "prime broker" or "trade away" fee for each trade that is executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into a client's custodial account. These fees are in addition to the commissions or other compensation clients pay the executing broker-dealer.

### 1. RESEARCH AND SOFT DOLLAR BENEFITS

The term "soft dollars" refers generally to the practice by investment advisers of paying for research and brokerage services using brokerage commissions generated by the execution of trades for their clients' accounts. CSF has no formal relationships with custodians or broker-dealers and, thus, we have no soft dollar arrangements.

However, we do receive research and other products or services from the custodians and broker-dealers that we recommend. Our custodians and broker-dealers provide us with access to their institutional trading and custody services, which are typically not available to retail investors. These services generally are available to independent investment advisers at no charge so long as the independent investment advisers maintain a minimum amount of assets with the custodian.

Services that we may receive include, but are not necessarily limited to: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk; access to block trading which provides the ability to aggregate securities transactions and allocate the appropriate shares to client accounts; the ability to have investment advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; and access to mutual funds that generally require significantly higher minimum initial investments or are generally only available to institutional investors.

Our custodians and broker-dealers also make available to us other products and services that benefit our firm but may not directly benefit clients' accounts. Some of these other products and services assist us in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmation and account statements); provide research, pricing information and other market data; facilitate payment of the firm's fees from its clients' accounts; and assist with back office functions; record keeping and client reporting. Many of these services generally may be used to service all or a substantial number of our accounts, including accounts not maintained at a recommended custodian. We also receive other services intended to help our firm manage and further develop our business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing.

Our recommendation that you maintain your assets in accounts at our custodians and broker-dealers may be based in part on the benefit to us in the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided. This creates a conflict of interest. We mitigate this conflict by disclosing it to clients, here, and by the application of our policies and procedures.

## 2. BROKERAGE FOR CLIENT REFERRALS

Not applicable.

## 3. DIRECTED BROKERAGE

CSF will permit clients to direct brokerage. The client may direct CSF in writing to use a broker-dealer to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that broker-dealer, and CSF will not seek better execution or prices from other broker-dealers or be able to “batch” client transaction for execution through other broker-dealers with orders for other accounts managed by CSF. As a result, the client may pay higher commissions or other transaction costs or greater spreads or receive less favorable net prices on transactions for the account than would otherwise be the case. Subject to its duty of best execution, CSF may decline a client’s request to direct brokerage if, in CSF’s sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

## B. AGGREGATING ORDERS

If CSF decides to purchase or sell the same securities for multiple clients at about the same time, the firm may combine the orders for client account and firm accounts to allow the firm to obtain best execution, negotiate more favorable commission rates, or allocate equitably among our clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. CSF will allocate securities so purchased or sold, as well as the expenses incurred in the transaction, in the manner that firm considers to be equitable and consistent with the firm’s fiduciary obligations to its clients. Generally, when practical, purchase and sale orders of a security purchased or sold for more than one account, including associated fees and commissions, will be allocated across all accounts pro rata based on capital available and at the average price obtained for all shares transacted.

If CSF determines that a prorated allocation is not appropriate under the circumstances, the allocation will be made based upon other relevant factors which in the judgment of CSF will result in an equitable allocation.

# ITEM 13: REVIEW OF ACCOUNTS

## A. PERIODIC ACCOUNT REVIEW

### Investment Management

For those clients to whom CSF provides investment management services, CSF monitors those portfolios as part of an ongoing process while regular account reviews are conducted on a quarterly basis, at least, by the IAR responsible for the account.

### Financial Planning and Consulting

Generally, for clients receiving financial planning or consulting services, the engagement terminates upon delivery of the financial plan unless the client has selected periodic strategy sessions with plan implementation or financial planning renewal services.

When the client has selected periodic strategy sessions with plan implementation or financial planning renewal services, periodic reviews will be held, as appropriate to the engagement, by the IAR responsible for the account.

## B. NON-PERIODIC ACCOUNT REVIEW

Non-periodic account reviews can be triggered or intensified by unexpected performance, shifting market conditions, or changing client objectives or circumstances.

## C. REPORTING

### Investment Management

CSF will provide clients with reports electronically that are generated at least quarterly. Reports may be conveyed in either written or oral form and will discuss the performance of client's assets with CSF. Client will receive statements from the client's broker-dealers, custodians, mutual funds, and other investment managers, at least on a quarterly basis. Clients are urged to compare CSF reports to the statements from their broker-dealer, custodian, mutual fund or other investment manager.

### Financial Planning and Consulting

Generally, clients receiving financial planning services, will receive a written or electronic financial plan. For clients receiving consulting services, CSF may or may not deliver a written analysis or report as part of the services, depending on the nature of the engagement and agreement of the parties.

## ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

### A. ECONOMIC BENEFIT

See – Item 12: Brokerage Practices.

### B. REFERRALS

Not applicable.

## ITEM 15: CUSTODY

Client assets will be held by an independent custodian recommended by CSF. The firm will not have custody of our clients' assets (except for our ability to request that the Custodian deduct CSF's management fees from the account). Clients may at any time increase or decrease their managed assets. Client assets will be held solely in the client's name and will require client's authorization for withdrawal. Clients are responsible for and will pay the fees of the custodian related to the assets including, but not limited to, any costs of safekeeping, brokerage and other execution costs, custody fees and margin costs, if any. Our clients give CSF authority to instruct the custodian, on client's behalf, to purchase, sell, redeem or exchange any security, cash or other investments. Client will instruct the custodian to send client quarterly, or if available, monthly statements showing the assets in and all transactions for the account during the period corresponding to the statement, and to provide CSF with copies of those statements and confirmations of any transactions effected in the client's account. Clients should promptly review the statements received from the custodian.

In general, CSF recommends that clients establish accounts at, and receive custody, clearing, brokerage and other services from, Charles Schwab & Co., Inc. CSF reserves the right to recommend that Clients establish accounts at, and receive such services from, other independent custodians and other service providers in the future.

## ITEM 16: INVESTMENT DISCRETION

### Investment Management

Services are offered on a discretionary basis. Discretionary services authorize the firm or other designated third-party investment adviser to buy, sell or hold investment positions without obtaining pre-approval from clients for each transaction.

With discretionary services, at the outset of the relationship, clients appoint us as their attorney-in-fact and grant us a limited power-of-attorney with discretionary trading authority over the client's account. CSF is authorized, without prior client consultation, to buy, sell, and trade in securities and to give instructions in furtherance of such trading authority to the custodian/broker-dealer of the account. CSF may also engage, contract and hire third-party investment advisers for the account. Such discretion is to be exercised in a manner consistent with each client's stated financial circumstances, tax status, suitability and investment objectives as set forth in the Investment Advisory Agreement. CSF allows clients to impose reasonable restrictions on the management of the account. Reasonable restrictions, including special instructions and limitations, regarding the investment management of the account must be provided in writing and must be security specific.

ITEM 17: VOTING CLIENT SECURITIES

CSF will not advise clients or act for clients in any legal proceedings, including bankruptcies or class actions, involving securities held in client accounts or the issuers of those securities. CSF does not provide any tax or legal advice to client.

CSF does not have any authority to and does not vote proxies on behalf of advisory clients for any securities, however, the firm may give advice about how to vote proxies for securities held in client accounts.

ITEM 18: FINANCIAL INFORMATION

A. BALANCE SHEET

Not applicable.

B. FINANCIAL CONDITION

Not applicable.

C. BANKRUPTCY

Not applicable.

**ITEM 1: COVER PAGE – BROCHURE SUPPLEMENT – FORM ADV 2B**

**CLEAR SKY FINANCIAL, LP**

**Andrew Louis Hickey**

(CRD #: 3021408)  
130 Preston Road, Suite 309  
Prosper, Texas 75078  
214.440.3615

March 21, 2024

The brochure supplement provides information about Andrew L. Hickey that supplements the Clear Sky Financial, LP brochure. You should have received a copy of that brochure. Please contact Andrew L. Hickey if you did not receive Clear Sky Financial, LP's brochure or if you have any questions about the contents of this supplement.

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



## ITEM 2: EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

**Andrew L. Hickey**, born 1970

Education:

BS – Economics	Texas A&M University	1993
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Business Background:

Managing Member of the General Partner /Clear Sky Financial, LP	2018 to Present
Registered Representative-Investment Adviser Representative/ LPL Financial LLC	2006 to 2018

Professional Designation:

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 71,000 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 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.

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.

### **ITEM 3: DISCIPLINARY INFORMATION**

Not applicable.

### **ITEM 4: OTHER BUSINESS ACTIVITIES**

Mr. Hickey has no outside business activities.

### **ITEM 5: ADDITIONAL COMPENSATION**

Not applicable.

### **ITEM 6: SUPERVISION**

Mr. Hickey is a managing member for Clear Sky Financial, LLC, CSF's general partner. His activities are supervised by another managing member, John W. Paulson, utilizing the firm's policies and procedures manual. Mr. Paulson's contact information is on the cover page of this supplement.

### **ITEM 7: REQUIREMENTS FOR STATE-REGISTERED ADVISERS**

Not applicable.

**CLEAR SKY FINANCIAL, LP**

**John Wesley Paulson**

(CRD #: 2908933)  
130 Preston Road, Suite 309  
Prosper, Texas 75078  
214.440.3615

March 21, 2024

The brochure supplement provides information about John W. Paulson that supplements the Clear Sky Financial, LP brochure. You should have received a copy of that brochure. Please contact Andrew L. Hickey if you did not receive Clear Sky Financial, LP's brochure or if you have any questions about the contents of this supplement.

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

## ITEM 2: EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

**John W. Paulson**, born 1975

Education:

BBA – Finance	Texas State University	1997
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Business Background:

Managing Member of the General Partner /Clear Sky Financial, LP	2018 to Present
Registered Representative-Investment Adviser Representative/ LPL Financial LLC	2005 to 2018

## ITEM 3: DISCIPLINARY INFORMATION

Not applicable.

## ITEM 4: OTHER BUSINESS ACTIVITIES

Mr. Paulson is licensed with the Texas Department of Insurance. He can offer fixed insurance products for which he will receive commissions directly from the insurance companies through an independent insurance agency.

Investment adviser representatives who offer fee based and commission-based products are subject to a conflict of interest. It is a conflict of interest because it provides an incentive to recommend products based on the commissions received. We mitigate this conflict by disclosing the relationship to our clients, by conducting our operations in accordance with our fiduciary duty and by following our firm's code of ethics.

Clients have the option to purchase investment products that we recommend through other broker-dealers, advisers or agents that are not affiliated with CSF.

## ITEM 5: ADDITIONAL COMPENSATION

Not applicable.

## ITEM 6: SUPERVISION

Mr. Paulson is a managing member for Clear Sky Financial, LLC, CSF's general partner. His activities are supervised by another managing member, Andrew L. Hickey, utilizing the firm's policies and procedures manual. Mr. Hickey's contact information is on the cover page of this supplement.

## ITEM 7: REQUIREMENTS FOR STATE-REGISTERED ADVISERS

Not applicable.

**ITEM 1: COVER PAGE – BROCHURE SUPPLEMENT – FORM ADV 2B**

**CLEAR SKY FINANCIAL, LP**

**Randy Louis Smith**

(CRD#: 2238713)  
130 Preston Road, Suite 309  
Prosper, Texas 75078  
214.440.3615

March 21, 2024

The brochure supplement provides information about Randy L. Smith that supplements the Clear Sky Financial, LP brochure. You should have received a copy of that brochure. Please contact Andrew L. Hickey if you did not receive Clear Sky Financial, LP's brochure or if you have any questions about the contents of this supplement.

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

## ITEM 2: EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

**Randy L. Smith**, born 1955

Education:

BBA	North Texas State	1977
MBA	North Texas State	1979

Business Background:

Managing Member of the General Partner /Clear Sky Financial, LP	2018 to Present
Flight Safety International/ Simulator Flight Instructor	2021 to Present
Pilot/Southwest Airlines	1983 to 2021
Registered Representative-Investment Adviser Representative/ LPL Financial LLC	2006 to 2018

Professional Designation:

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 71,000 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 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.

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.

### **ITEM 3: DISCIPLINARY INFORMATION**

Not applicable.

### **ITEM 4: OTHER BUSINESS ACTIVITIES**

Mr. Smith is a simulator flight instructor with Flight Safety International. He spends approximately 40 hours per month on this activity.

Mr. Smith is licensed with the Texas Department of Insurance. He can offer fixed insurance products for which he will receive commissions directly from the insurance companies through an independent insurance agency.

Investment adviser representatives who offer fee based and commission-based products are subject to a conflict of interest. It is a conflict of interest because it provides an incentive to recommend products based on the commissions received. We mitigate this conflict by disclosing the relationship to our clients, by conducting our operations in accordance with our fiduciary duty and by following our firm's code of ethics.

Clients have the option to purchase investment products that we recommend through other broker-dealers, advisers or agents that are not affiliated with CSF.

### **ITEM 5: ADDITIONAL COMPENSATION**

Not applicable.

### **ITEM 6: SUPERVISION**

Mr. Smith is a managing member for Clear Sky Financial, LLC, CSF's general partner. His activities are supervised by another managing member, Andrew L. Hickey, utilizing the firm's policies and procedures manual. Mr. Hickey's contact information is on the cover page of this supplement.

### **ITEM 7: REQUIREMENTS FOR STATE-REGISTERED ADVISERS**

Not applicable.