

Columbia Financial Advisors, Inc.
Part 2A of Form ADV
The Brochure

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This brochure provides information about the qualifications and business practices of Columbia Financial Advisors, Inc. ("Columbia"). If you have any questions about the contents of this brochure, please contact us at 713-629-7007. 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 Columbia is also available on the SEC's website at:
www.adviserinfo.sec.gov.

Material Changes

Columbia's most recent update to Part 2 of Form ADV was made in July 2010. Columbia's business activities have not changed materially since the time of that update. However, in 2010 the SEC required significant changes to the content and format of Part 2 of Form ADV. This brochure, which reflects those changes, is materially different from brochures used by Columbia in prior years.

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Advisory Business

Columbia Financial Advisors, Inc. ("Columbia") is a corporation formed in 1984 under the laws of the State of Texas. Columbia serves as an investment advisory services firm specializing in investment management for private investment partnerships and high net-worth individuals.

Columbia Financial Advisors, Inc. (the "General Partner") serves as the general partner to the following two partnerships, formed under the laws of the State of Texas:

- Columbia Group, L.P.
- Columbia Capital Partners, L.P., Class A and Class B

In providing services to these partnerships, Columbia formulates its investment objectives, directs and manages the investment and reinvestment of each partnership's assets, and provides reports to investors. Investment advice is provided directly to each partnership and not individually to the limited partners of the partnerships. Columbia does not tailor its investment advice to the limited partners of the partnerships, except in the case of Separate Account clients who also invest in the partnerships. Columbia manages the assets of each partnership in accordance with the terms of the governing documents applicable to each

partnership (including terms related to the investment restrictions of each partnership). Interests in these partnerships are offered and sold exclusively to investors satisfying eligibility and suitability requirements in private transactions within the United States.

This firm brochure does not constitute an offer to sell or solicit an offer to purchase interests in the partnerships which can only be made by means of a private placement memorandum.

Columbia also serves as investment manager for three individual clients, each of whom may invest in one or more of the limited partnerships in which Columbia acts as general partner. Columbia tailors its advice to the needs of the individual clients.

We seek to achieve long-term capital appreciation through a range of investment strategies, including investing in public-traded equity securities, both long and short, as well as a broad array of other securities in both private and public markets. For more on the investment strategies of our clients, please see Method of Analysis, Investment Strategy and Risk of Loss.

Columbia is wholly owned by Harold Goldstein, President and Chief Compliance Officer. As of March 1, 2011, Columbia manages \$74,000,000 on a discretionary basis on behalf of 5 clients.

Fees and Compensation

Compensation received by Columbia for the limited partnerships is comprised of fees based on a percentage of assets under management ("management fee"). Columbia Capital Partners, L.P., Class B also has an additional performance-based compensation based on net profits ("performance fee"). Columbia Capital Partners, L.P., Class A has an investment with one fund which has an illiquid investment. That fund has become inactive that one holding has been placed in a Trust by them. Columbia Capital Partners, L.P., Class B has minimal activity and is winding down and is distributing funds as asset sales take place. Columbia charges no management or performance fees currently to Class A or Class B. Columbia Group, L.P. is billed and pays a management fee on a quarterly basis and the fees are deducted directly from the partnership. The management fee and/or performance fee for the limited partnerships are not negotiable. A typical investor in Columbia Group, L.P. pays a management fee of .375% quarterly. The Separate Accounts are billed quarterly for management fees. The management fees for these accounts are at a set rate per quarter as negotiated with each client. Each Separate Account client sends payment for these management fees to Columbia. For both the limited partnerships and Separate Accounts, the quarterly management fees are billed in arrears.

Also, the investor may bear investment-related expenses, including brokerage and other transaction costs, fees charged by outside managers, audit fees, fees charged by the administrator and legal expenses. See the Brokerage Practices section for additional information regarding brokerage.

Performance Based Fees and Side-by-Side Management

As stated in the Fees and Compensation section above, Columbia is allowed to charge performance based fees for Columbia Capital Partners, L.P., Class B, only. However, no fees are being charged or collected due to the partnership winding down.

Types of Clients

Columbia provides investment advisory services to high net-worth individuals through privately offered investment vehicles and through separately managed accounts ("Separate Accounts"). The Separate Accounts may include the individual, family partnership or trust and/or their individual retirement accounts. At this time, Columbia is not accepting any new Separate Accounts.

The investment vehicles are formed as private limited partnerships. The investors in the investment vehicles include, but are not limited to, high net-worth individuals, family partnerships, trusts, corporate pension/profit sharing plans and individual retirement accounts. The investment vehicles offered are available only to persons who are "accredited investors" and there are minimum investment requirements of \$50,000 for Columbia Group, L.P. and Columbia Capital Partners, L.P., Class A, and \$30,000 for Columbia Capital Partners, L.P., Class B.

Methods of Analysis, Investment Strategies and Risk of Loss

Columbia Group's portfolio is made up of a diversified group of hedge funds combined with a component section which invests in certain no-load mutual funds and ETF's which emphasize certain strategies. A special emphasis is made upon sector and industry analysis in order to emphasize investment in those areas which are most opportunistic. Investing in securities involves risk of loss that clients should be prepared to bear.

The portfolio is continually evaluated, adjusted and balanced between funds and strategies as the Manager deems appropriate. Multiple strategies are incorporated within the portfolio as well as bond funds and reserves held in cash equivalents. Also, the Manager utilizes as a hedging strategy, no-load mutual funds that go opposite to the market's direction as well as, in select cases, the Manager has the authority to use puts and/or calls to a limited degree. If the Manager's judgment of the market's anticipated direction is incorrect, there is risk of loss in this strategy. Manager continually reviews and analyzes each fund as relates to its adaptability in achieving its desired objective. Additionally, there is a continuous monitoring of each fund's performance and volatility.

Before any new hedge fund is added, a vigorous and analytic process takes place and when possible, the investments into the fund are spread over several months to smooth out any volatility. The funds' terms and conditions are carefully reviewed to be sure they are compatible with Columbia's needs.

The ultimate goal is to maintain a total portfolio that can achieve above-average returns when the general market is positive while providing a capability to control the level of downside volatility when the market conditions are poor. There is no guarantee that this can be achieved but the continuous attention to risk does increase the odds of success.

Leverage is used by the funds invested in when deemed appropriate but this is always considered as to what is an appropriate level. The Manager utilizes a macro overlay relating to the investment environment which helps in determining the level of risk to take at any particular time. While leverage presents opportunities for increasing total returns, it also has the effect of increasing losses.

There can be no assurance that a particular fund is appropriate or that certain risk is measured properly. Short selling exposes the portfolio to the risk of loss in an amount greater than on an all cash basis. The Manager utilizes various analytical techniques, including fundamental analysis, technical analysis, and cyclical analysis.

For each investment strategy, there are risks involved that the strategy may be inappropriate at that particular time. Investing in hedge funds involves risk of loss as they may use leverage, may be more concentrated, and may hold some illiquid securities. Additionally, there is risk in short-selling that hedge funds often use.

The individually managed accounts are personalized to the individual's personal direction and preferences. The individual securities, both stock and fixed income, are chosen based upon whether they fit the desired goal of the particular client. Each account is customized to fit their directions and carefully monitored to assure that the securities fit into the tailored program. The transaction activity is limited to special times of opportunity and risk is continually assessed. Special attention is given to maintaining a high level of liquidity to provide any cash withdrawal needs of its clients.

Additional risk factors related to the funds are described in the fund offering memorandum.

Disciplinary Information

Neither Columbia Financial Advisors, Inc., nor any of its directors or officers, has been involved in any legal or disciplinary events in the past 10 years that would be material to an investor's evaluation of the company or its personnel.

Other Financial Industry Activities and Affiliations

Columbia Financial Advisors, Inc. acts as general partner of Columbia Group, L.P. and Columbia Capital Partners, L.P., Class A and Class B. As such, the general partner is required to invest in the funds. Harold Goldstein is a limited partner in the partnerships for which Columbia acts as investment advisor. Harold Goldstein (individually) and one or more of Columbia's Separate Account clients may separately invest in one or more of the investment funds in which Columbia Group, L.P. invests, through other entities or directly. Any potential conflict of interest is controlled by adhering to the investment strategy covered in the private memorandum offering documents.

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

Columbia Financial Advisors, Inc. holds its directors, officers and employees to a high standard of integrity and business practice and has adopted a Code of Ethics which is

available to all clients upon request by contacting us at 713-629-7007. Among other things, the code requires Columbia and its employees to act in its clients' best interests, abide by all applicable regulations, prohibits insider trading, and requires pre-clearance and reporting on many types of personal securities transactions.

Columbia serves as the general partner and/or investment manager to private limited partnerships. Columbia has an investment in the partnerships. Harold Goldstein (individually) and one or more of Columbia's Separate Account clients may separately invest in one or more of the investment funds in which Columbia Group, L.P. invests, through other entities or directly.

Investment decisions on behalf of any given client account or partnership are made independently of each other. Accordingly, Columbia may recommend, purchase and/or sale the same or different securities for different clients at the same or different time. Additionally, there may be times when Columbia and/or its related persons purchase or sell for themselves totally different securities as are purchased, sold or recommended for its clients.

However, as a matter of policy, no client will be unfairly favored over any other client and Columbia and its related persons will not unfairly favor themselves over any client. Because of the differing nature of the Columbia's investment objectives among its advisory accounts, the risk of conflicts among client interests is reduced. However, to mitigate the conflicts of interest, Columbia has implemented an investment policy for personal securities transactions, which is described below. Additionally, Columbia expressly prohibits inappropriate favoritism of one client over another client that would constitute a breach of fiduciary duty.

All directors, officers and employees have an affirmative obligation to comply with applicable federal securities laws. All directors, officers and employees provide a securities transactions report on a quarterly basis of all reportable securities to the Compliance Director. Annually, all directors, officers and employees provide a detailed list of all current accounts with respect to reportable securities in which he or she has any direct or indirect beneficial interest.

Columbia's trading and trade management procedures seek to place the interests of its clients first and foremost. At all times Columbia maintains the integrity of its business practices by mitigating any actual or potential conflicts of interest or any abuse of its position of trust and responsibility and prohibits unfair trading practices. Trading practices are reviewed on an ongoing basis to ensure Columbia's methods are fair, consistent and equitable.

Brokerage Practices

For many clients, Columbia has the authority to engage the services of brokers and dealers. Columbia almost always invests, with respect to its fund clients, directly into various investment vehicles which do not require a broker-dealer. Trades of equity securities, mutual funds, ETFs and ETNs for the funds are chosen by Columbia. In instances where Columbia has discretion over which broker-dealer or other counterparty will be used in executing transactions, Columbia uses its best judgment to choose the broker-dealer most capable of providing the best execution on an overall basis, as well as good reputation and dependability,

capital strength, responsiveness, processing capabilities and regulatory compliance and execution of trades in such a manner that total costs or proceeds in each transaction is the most favorable under all the circumstances. The financial strength, integrity, and stability of each broker are considered as well as the competitiveness of commission rates in comparison with other brokers-dealers.

Columbia does not select or recommend broker-deals based on whether it or any of its related persons receives client referrals from such broker-dealer or third party. Columbia and its related persons do not compensate any person for client referrals.

Currently, certain clients direct brokerage transactions for their accounts be effected through a particular broker-dealer. It is Columbia's policy in these instances to comply with such directions concerning directed brokerage arrangements and clients are advised this practice may incur more cost to the clients due to higher brokerage fees/commission rates. Clients should expect that their securities transactions will generate brokerage commissions and other costs, all of which is borne by the client and not by Columbia.

It is Columbia's practice to attempt to obtain the lowest brokerage commission rates. It is not Columbia's policy to participate in any soft dollar arrangements. Also, no aggregate trade orders for client purchase and sale orders are placed into blocks for execution.

Review of Accounts

The partnerships managed by Columbia are under daily review by Harold Goldstein, President and Chief Compliance Officer. Appropriate opportunities for the partnerships are continuously assessed in addition to focusing on liquidity, concentration, leverage, exposure as well as market, political or economic changes that may impact the funds investments.

Monthly reports regarding the value of Columbia Group's portfolio are prepared for all of its investors and annual audited financial statements and tax information are provided to all investors. Columbia Capital Partners, L.P., Class A is being closed and a liquidation audit will be performed and provided to investors. Class B investors receive at least one report regarding the holdings of Columbia Capital Partners, L.P., Class B and the value of its portfolio each year, as well as annual audited financial statements and tax information. Separate Account clients receive monthly reports which provide a recap of all holdings and the estimated month-end value of their portfolio. Each Separate Account monthly report is tailored to include specific items requested to be covered by the individual client.

Client Referrals and Other Compensation

Columbia does not receive an economic benefit from any person other than its clients for providing investment advice or other advisory services to such clients. Columbia does not compensate any person for client referrals.

Custody

All client accounts are held in the name of each client utilizing qualified custodians which are unaffiliated broker/dealers or banks. Separate Account clients receive monthly statements directly from the qualified custodians with whom their assets are held. Clients are urged to

carefully review such statements. (See the Review of Accounts for additional information regarding reports to clients.)

The funds are audited in accordance with Rule 206(4)-2 of the Investment Advisers Act as applicable.

Investment Discretion

Our firm has full discretion with respect to investments in private placements and securities for our partnership vehicles. This authority is provided through each investor's subscription for interests through our offering documents which set forth, in detail, the relevant investment strategy and program and any restrictions on types of investments. We also have full discretion over our Separate Account clients regarding which securities and the amount of securities to buy or sell adhering to the investment strategy and program set up with each Separate Account based on the management agreement between the Separate Account clients and Columbia, which may also set forth any restrictions on types of investments.

Voting Client Securities

Our firm does not vote proxies on behalf of its clients. Each client receives their proxies or other solicitation directly from their custodian and/or brokerage firm. Separate Account clients may request assistance in voting a proxy themselves and may consult Harold Goldstein for his direction. In providing assistance or consultation to clients regarding proxies, we act in a manner that seeks to serve the best interests of our clients.

Regardless of whether or not we make recommendations to clients with respect to the voting of, proxies on behalf of clients, we will not render any advice or take any action on behalf of clients with respect to securities or other investments held in any account, or the issuers, thereof, that become the subject of any legal proceedings, including bankruptcies and litigations. Clients retain the right and obligation to take such legal action.

Financial Information

Our firm does not require nor do we solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Our firm has not been the subject of a bankruptcy petition and is not aware of any financial condition that is likely to impair our ability to manage our client accounts.

Requirements for State-Registered Advisers

Not applicable.