



General Information

Financial Innovations LLC is a SEC registered investment advisor providing wealth management and investment consulting solutions for select individuals, corporations, retirement plans and trusts.

Personnel

Michael Davidson is the President and Chief Compliance Officer of Financial Innovations LLC. Michael Davidson is the only individual providing investment advice. Davidson, Michael James: Born in 1974; BS in engineering from Texas Tech (1996) & Masters in engineering from Texas Tech (1997). Following graduation, Mr. Davidson worked for Arthur Anderson (1997-2002) as a consultant, a securities registered representative with Jefferson Pilot Securities (2002-2004) and Centaurus Financial (2004 to 2005). Mr. Davidson was also an investment representative with Jefferson Pilot Securities Advisory Services (2002-2004), another RIA firm.

How We Operate

- Financial Innovations LLC (FILLC) is a fee-only, registered investment advisor providing institutional investment management and solutions for individuals, corporations, retirement plans and trusts. Assets are held in custody at TD AMERITRADE Institutional, a division of TD AMERITRADE, Inc. Member FINRA/SIPC, which receives brokerage commissions for that service based upon security transactions executed there.
- Our clients benefit from our ability to combine institutional trading, Nobel-prize-winning economic research, the efficiency of capital markets, the ability to capture strategic dimensions of risk, minimized transaction and investment costs with world-class service, accountability and investment reporting.
- Client accounts are reviewed a minimum of quarterly each calendar year. This is accomplished through generating performance reports including gains/losses, expenses and asset allocation.
- FILLC manages client accounts on a discretionary basis, with limited authority to make client trades and deduct management fees. The firm management fees are based on the following tiered annual schedule. The fee calculated on the gross value of your account(s) is debited quarterly or monthly, at the beginning of each quarter or month. IN ALL CASES, the client can terminate the agreement at any time, for any reason, and any prepaid fees will be re-funded on a pro-rated basis.

**Generally FILLC will require new client accounts to be greater than \$500,000. Client account values less than \$500,000 will be evaluated on a case-by-case basis.*

***Pricing on client accounts valued greater than \$5,000,000 is negotiable.*

Assets Under Management	Annual Fee%
\$0—\$499,999*	1.0 %
\$500,000—\$999,999	0.9 %
\$1,000,000—\$1,499,999	0.8 %
\$1,500,000—\$1,999,999	0.7 %
\$2,000,000—\$2,499,999	0.6 %
\$2,500,000—\$4,999,999	0.5 %
\$5,000,000—and Up**	** Negotiable

- In addition to asset-based fees, FILLC can charge hourly fees for the development of written financial plans or consultations at an hourly rate not to exceed \$250.
- FILLC desires to keep client balance sheet, risk tolerance, & client questionnaire information current. In addition an annual review of your current asset allocation vs. desired allocation will be performed in an effort to effect necessary portfolio rebalancing.
- FILLC analysis methods utilize resources from commercially available software packages, market rating services, general market data and financial publications. FILLC also benefits from the economic expertise and investment knowledge of economists affiliated with Dimensional Fund Advisors (DFA).
- FILLC does not vote proxies on behalf of clients.
- FILLC has a Privacy Policy that will be furnished upon request or annually by law.
- FILLC directs client investments based upon the principals of Modern Portfolio Theory utilizing primarily passive investment strategies and long-term holding periods.
- Michael Davidson is a licensed insurance agent and receives typical insurance commission compensation from the distribution of fixed insurance products. This presents a conflict of interest. This conflict is mitigated through communicating said conflict directly to the client. This conflict has no direct or indirect effect on your services received through FILLC.
- FILLC will from time to time compensate, either directly or indirectly, any person (defined as a natural person or a company), including CPA firms, for client referrals. FILLC is aware of the special considerations promulgated pursuant to Rule 206(4)-3 under the Investment Advisers Act of 1940. As such, appropriate disclosure shall be made, all written instruments will be maintained by FILLC and all applicable Federal and/or State laws will be observed.
- At no time will any personal securities transaction of an FILLC employee benefit from a purchase or sale in a client account, harm a client, or appear or suggest impropriety. All employee trades must be reviewed before executed.
- Best execution of individual securities is obtained through the use of our primary custodian TD AMERITRADE Institutional.

Acknowledgements

This is to acknowledge that I/We have read and understood this General Information & Disclosure Statement for Financial Innovations LLC.

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