

Disclosure Brochure

October 22, 2018

Prosperity Economics Partners, LLC

a Registered Investment Adviser

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This brochure provides information about the qualifications and business practices of Prosperity Economics Partners, LLC (hereinafter "PEP" or "the Firm"). If you have any questions about the contents of this brochure, please contact Kim D. Butler at (903) 822-4144. 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 Prosperity Economics Partners, LLC is available on the SEC's website at www.adviserinfo.sec.gov.

Prosperity Economics Partners, LLC is an SEC registered investment adviser. Registration does not imply any level of skill or training.

Item 2. Material Changes

This Item discusses only the material changes that have occurred since PEP's last annual update dated March 30, 2018. The Firm has the following changes to disclose in relation to this item:

- The Firm changed its name from "Partners for Prosperity, LLC" to "Prosperity Economics Partners, LLC." Accordingly, the Firm's name has been updated throughout this brochure.
- The Firm updated Item 2 and Item 10 to reflect its affiliation with a newly-formed affiliate. This newly-formed affiliate has taken the Firm's former name, "Partners for Prosperity, LLC." As discussed in Item 10, this newly-formed affiliate is a licensed insurance agency.
- Lastly, the Firm updated Item 10 to describe its Supervised Persons affiliations with other investment advisers.

The Firm has no other changes to disclose in relation to this Item.

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Item 4. Advisory Business

PEP provides consulting and Prosperity Economics services to individuals through its Prosperity Pathway™ program. Prior to engaging PEP to provide these services, the client is required to enter into one or more written agreements with PEP setting forth the terms and conditions under which PEP renders its services (collectively the “Agreement”).

Kim D. Butler and Todd A. Langford are the principal owners of PEP. PEP has been in business as an SEC-registered investment adviser since December 27, 2008. PEP was formerly named “Partners for Prosperity, LLC.” In October 2018, PEP changed its name to “Prosperity Economics Partners, LLC.” In the same month, an affiliate of PEP was established, taking the name “Partners for Prosperity, LLC.” PEP’s affiliation with Partners for Prosperity, LLC is further described in Item 10, below.

This Disclosure Brochure describes the business of PEP. Certain sections will also describe the activities of Supervised Persons. Supervised Persons are any of PEP’s officers, partners, directors (or other persons occupying a similar status or performing similar functions), or employees, or any other person who provides investment advice on PEP’s behalf and is subject to PEP’s supervision or control.

Prosperity Pathway™ Program

The Prosperity Pathway™ is an integrated, five-step program that combines Prosperity Economics with investment strategies and step-by-step implementation aimed at helping clients expand their personal economy. Through the five-step process, PEP seeks to help clients measure and recover opportunity cost, execute strategies for controlling their assets, and implement personalized investment strategies. PEP shall also assist clients in selecting appropriate financial products based on their individual desires.

The Prosperity Pathway™ is a one-year program. Typically, PEP covers the five steps of the program over an initial three-month period. For the remaining term of the engagement, PEP will provide ongoing consulting and support services to its clients. Upon completion of the Prosperity Pathway™ program, clients may engage PEP for ongoing consulting and support services, or participate in one of the following three programs: The High Road™, the Low Road™ or the No Road™. The High Road™ is a major overhaul of the initial Prosperity Pathway™ program. Clients in the High Road™ program are provided with quarterly reviews, updated Prosperity Pathway™ documentation, unlimited email consulting support, access to monthly webinars, and other related services. The Low Road™ is a minor overhaul of the initial Prosperity Pathway™ program. Clients in the Low Road™ program are provided with annual reviews, unlimited email consulting support and other related services. The No Road™ program provides clients with unlimited email consulting support and other related services.

Item 5. Fees and Compensation

In the event the client determines to engage PEP to provide services through the Prosperity Pathway™, PEP will do so on a fixed fee basis. PEP will charge a fixed fee of \$3,500 for the initial one-year engagement, which is payable upon entering the agreement. Thereafter, clients may engage PEP to provide additional services.

As stated in Item 4, clients who engage PEP for additional services may participate in one of the following three programs: The High Road™, the Low Road™ or the No Road™. All of these programs are additional one-year engagements. PEP's fees for these additional services are negotiable, but generally range from \$300 to \$10,000 on a fixed fee basis, depending on the program selected by the client and scope of the services to be provided.

For the initial Prosperity Pathway™ program as well as the additional High Road™, Low Road™ or No Road™ programs, PEP generally requires the full amount of the fixed fee upon entering the agreement. Either party may terminate the agreement by written notice to the other. In the event the client terminates PEP's services, the balance of PEP's unearned fees (if any) will be refunded to the client. If termination occurs within five business days of entering into an agreement for such services, the client will be entitled to a full refund. Clients are not entitled to a refund after the initial five-step Prosperity Pathway™ program is complete.

In addition to the fixed fees set forth herein, PEP and its Supervised Persons receive referral fees from third-parties related to its recommendation of certain Life Settlement investments and Real Estate Loan investments. A conflict of interest exists to the extent that PEP recommends the purchase or sale of securities where PEP or its Supervised Persons receive additional compensation as a result of the Firm's recommendation. PEP has procedures in place to ensure that any recommendations made by such Supervised Persons are in the best interest of clients. For additional information related to such arrangements, please see Item 14 (below).

Item 6. Performance-Based Fees and Side-by-Side Management

PEP does not provide any services for performance-based fees. Performance-based fees are those based on a share of capital gains on or capital appreciation of the assets of a client.

Item 7. Types of Clients

PEP provides its services to individuals.

Item 8. Methods of Analysis, Investment Strategies and Risk of Loss

PEP does not provide investment management services to its clients, nor does it have any trading authority over client accounts.

PEP's programs are designed to assist clients with measuring and recovering opportunity cost, executing strategies for controlling their assets, and implementing personalized investment strategies. PEP shall also assist clients in selecting appropriate financial products based on their individual desires if requested. PEP's programs are intended to suit clients' individual financial needs and goals; however, the effectiveness of such strategies may depend on client implementation.

Clients should be aware that strategies recommended by PEP may involve various risks, such as tax consequences, loss of capital, illiquidity, and market risks. Clients should be prepared to bear these risks.

Item 9. Disciplinary Information

PEP is required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of management. Kim D. Butler, President, was involved in a disciplinary event requiring disclosure pursuant to this Item. Specifically, Kim Butler entered into a consent order with the State of Washington Department of Financial Institutions, Securities Division ("Securities Division") on June 27, 2016, related to allegations that she violated the Securities Act of Washington through the sale of certain life settlements to Washington residents from 2009 to 2014. Specifically, the Securities Division alleged that she misrepresented or failed to disclose material information in relation to such sales, engaged in the selling of unregistered securities, and acted as an unregistered securities salesperson or broker-dealer. Without admitting or denying the Securities Division's allegations, she agreed to a cease and desist and paid a fine of \$1,950 and administrative costs of \$250.

Item 10. Other Financial Industry Activities and Affiliations

PEP is required to disclose any relationship or arrangement that is material to its advisory business or to its clients with certain related persons. PEP has no information to disclose in relation to this Item.

Affiliation with Other Investment Advisers

Certain of PEP's Supervised Persons, in their individual capacities, are also investment adviser representatives with Redhawk Wealth Advisors, Inc. and PL Wealth Advisors, LLC (together, "Other

Advisers”) and in such capacity, recommend, on a fully-disclosed basis, the investment advisory services of the Other Advisers. A conflict of interest exists to the extent that PEP recommends the Other Advisers’ investment advisory services where PEP’s Supervised Persons receive a portion of the investment advisory fees or other additional compensation as a result of their affiliations with the Other Advisers.

Affiliated Insurance Agency/Licensed Insurance Agents

The Firm’s affiliate, Partners for Prosperity, LLC (“Partners for Prosperity”), is a licensed insurance agency and offers certain insurance products on a fully-disclosed commissionable basis. A conflict of interest exists to the extent that PEP recommends the purchase of insurance products through Partners for Prosperity where its owners are entitled to insurance commissions or other additional compensation, including distributions related to their ownership in Partners for Prosperity. The Firm has procedures in place whereby it seeks to ensure that all recommendations are made in its clients’ best interest regardless its affiliation with Partners for Prosperity.

In addition, a number of the Firm’s Supervised Persons are licensed insurance agents and offer certain insurance products on a fully-disclosed commissionable basis. A conflict of interest exists to the extent that PEP recommends the purchase of insurance products where its Supervised Persons are entitled to insurance commissions or other additional compensation. The Firm has procedures in place whereby it seeks to ensure that all recommendations are made in its clients’ best interest regardless of any such affiliations.

Item 11. Code of Ethics

PEP has adopted a code of ethics that sets forth the standards of conduct expected of its associated persons and requires compliance with applicable securities laws (“Code of Ethics”). In accordance with Section 204A of the Investment Advisers Act of 1940 (the “Advisers Act”), PEP’s Code of Ethics contains written policies reasonably designed to prevent the unlawful use of material non-public information by PEP or any of its associated persons. The Code of Ethics also requires that certain of PEP’s personnel report their personal securities holdings and transactions and obtain pre-approval of certain investments such as initial public offerings and limited offerings.

PEP generally does not provide investment management services to its clients, or have any trading authority over client accounts. Clients and prospective clients may contact PEP to request a copy of its Code of Ethics.

Item 12. Brokerage Practices

PEP does not provide investment management services and therefore, does not select or recommend broker-dealers for client transactions.

Item 13. Review of Accounts

Through the five-step Prosperity Pathway™ program, PEP conducts an initial telephone or Internet conference to identify action items that are specific to each step of the program. Over the next three months, PEP works with clients as part of an ongoing process to implement the program. Subsequently, and for the remaining term of the initial engagement, clients may contact PEP at their discretion. For those clients in the High Road™ program, reviews are conducted on a quarterly basis. For those clients in the Low Road™ program, reviews are offered on an annual basis. Annual reviews for clients in the LowRoad™ program shall be subject to a fixed fee of \$500. Such reviews are conducted by one of PEP's representatives.

Item 14. Client Referrals and Other Compensation

PEP is required to disclose any relationship or arrangement where it receives an economic benefit from a third-party (non-client) for providing advisory services. In addition, PEP is required to disclose any direct or indirect compensation that it provides for client referrals.

Other Economic Benefits

Life Settlements

PEP may recommend certain of its clients to companies that specialize in providing life settlement investments to individuals. These life settlement companies render services independently of PEP and may recommend investors consider, among other investments, direct fractional life settlements or interests in life settlement funds. PEP provides clients such recommendations to companies that specialize in providing life settlements as part of the Prosperity Pathway™, and, where appropriate, PEP and its Supervised Persons may receive referral fees for such recommendations. These referral fees vary and may be paid directly to PEP and/or its Supervised Persons, but generally range between 1% and 6% of the value of a client's total investment with such companies. A conflict of interest exists to the extent that PEP has an incentive to recommend clients consider life settlement companies where PEP or its Supervised Persons receive additional compensation. As a result, PEP has procedures in place to ensure that any recommendations are in the best interest of its clients.

Real Estate Loans

PEP may recommend certain of its clients to companies that specialize in providing short term loans to real estate investors. These lending companies render services independently of PEP. PEP provides clients such recommendations to companies that specialize in providing short term loans to real estate investors as part of the Prosperity Pathway™, and, where appropriate, PEP and its Supervised Persons may receive referral fees for such recommendations. These referral fees vary and may be paid directly to PEP and/or its Supervised Persons, but generally range between 1% and 6% of the value of a client's total investment with such companies. A conflict of interest exists to the extent that PEP has an incentive to recommend real estate loans where PEP or its Supervised Persons receive additional compensation. As a result, PEP has procedures in place to ensure that any recommendations are in the best interest of its clients.

Client Referrals

If a client is introduced to PEP by either an unaffiliated or an affiliated solicitor, PEP may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Advisers Act and any corresponding state securities law requirements. Any such referral fee is paid solely from PEP's fee, and does not result in any additional charge to the client. If the client is introduced to PEP by an unaffiliated solicitor, the solicitor provides the client with a copy of PEP's disclosure brochure which meets the requirements of Rule 204-3 of the Advisers Act and a copy of the solicitor's disclosure statement containing the terms and conditions of the solicitation arrangement including compensation. Any affiliated solicitor of PEP discloses the nature of his/her relationship to prospective clients at the time of the solicitation and will provide all prospective clients with a copy of PEP's disclosure brochure at the time of the solicitation.

Item 15. Custody

PEP does not have custody of any client accounts and does not debit fees.

Item 16. Investment Discretion

PEP is required to disclose if it accepts discretionary authority to manage securities accounts on behalf of clients. PEP is considered to exercise investment discretion over a client's account if it can effect transactions for the client without first having to seek the client's consent. PEP does not provide investment management services; therefore, PEP does not exercise discretion on behalf of clients.

Item 17. Voting Client Securities

PEP is required to disclose if it accepts authority to vote client securities. PEP does not vote client securities on behalf of its clients.

Item 18. Financial Information

PEP does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance of services rendered. PEP does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. PEP has not been the subject of a bankruptcy petition at any time during the past ten years.

Prosperity Economics Partners, LLC

a Registered Investment Adviser

Prepared by:



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The Adviser's Advisor®