

**Item 1: Cover Sheet**

**INFORMATIONAL BROCHURE**

**November 7, 2011**

The Simmons Partnership, LLC

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**This brochure provides information about the qualifications and business practices of The Simmons Partnership, LLC. If you have any questions about the contents of this brochure, please contact us at 443-570-9804 or via email at [darby@thesimmonspartnership.com](mailto:darby@thesimmonspartnership.com). 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 The Simmons Partnership, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## Item 2: Statement of Material Change

The Simmons Partnership, LLC is currently registered with the United States Securities and Exchange Commission. However, due to regulatory changes, the firm is now seeking registration in the State of Maryland. State registration requires the addition of Item 19.

### Item 3: Table of Contents

#### TABLE OF CONTENTS

Item	Description	Page
1	Cover Sheet	1
2	Statement of Material Changes	2
3	Table of Contents	3
4	Advisory Business	4
5	Fees and Compensation	5
6	Performance Based Fees	6
7	Types of Clients	6
8	Methods of Analysis, Investment Strategies and Risk of Loss	6
9	Disciplinary Information	8
10	Other Financial Industry Affiliations	8
11	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	8
12	Brokerage Practices	8
13	Review of Accounts	10
14	Client Referrals and Other Compensation	10
15	Custody	10
16	Investment Discretion	10
17	Voting Client Securities	10
18	Financial Information	10
19	Requirements for State Registered Advisers	10

INFORMATIONAL BROCHURE  
THE SIMMONS PARTNERSHIP, LLC

**4. Advisory Business**

The Simmons Partnership, LLC has been in business since March 18, 2011. The firm's professionals have been in the business of providing investment advice to clients for 14 years.

The Simmons Partnership, LLC provides personalized financial planning and/or investment management services. Clients advised may include individuals, trusts, foundations, pensions and corporations.

Financial Planning

Generally, all clients receive financial planning services. In most cases, the client will supply to TSP information including income, investments, savings, insurance, age and many other items that are helpful to the firm in assessing your financial goals. The information is typically provided during personal interviews and supplemented with written information. Once the information is received, we will discuss your financial needs and goals with you, and compare your current financial situation with the goals you state. Once these are compared, we will create a financial plan to help you meet your goals.

The plan is intended to be a suggested blueprint of how to meet your goals. Not every plan will be the same for every client. Each one is specific to the client who requested it. Because the plan is based on information supplied by you, it is very important that you accurately and completely communicate to us the information we need. Also, your personal life may change as your engagement with us progresses. It is very important that you continually update us with any changes so that if the updates require changes to your plan, we can make those changes. Otherwise, your plan may no longer be accurate.

Once you have your financial plan, the decision is yours how to implement it. If you decide to implement your financial plan through TSP, you will become an asset management client.

Asset Management

TSP requires each client seeking investment management services to place at least \$250,000 with us. We may waive this account minimum under certain circumstances, in our discretion.

If you wish us to manage your investment accounts, we will ask you to provide us with investment guidelines, so that we can create asset allocations that meet your needs. These guidelines can be developed with our help or you can create them yourself. Some examples of guidelines include your risk tolerance, or a maximum amount of assets to be held in non-U.S. investments, or a limit on the amount of stocks in your portfolio.

Asset management services may be provided on either a "discretionary" or "non-discretionary" basis. When TSP is engaged to provide asset management services on a discretionary basis, we

will monitor your accounts to ensure that they are meeting your asset allocation requirements. If any changes are needed to your investments, we will make the changes. These changes may involve selling a security or group of investments and buying others or keeping the proceeds in cash. You may at any time place restrictions on the types of investments we may use on your behalf, or on the allocations to each security type. You will receive written or electronic confirmations from your account custodian after any changes are made to your account. You will also receive quarterly statements from your account custodian. Clients engaging us on a discretionary basis will be asked to execute a Limited Power of Attorney (granting us the discretionary authority over the client accounts) as well as an Investment Management Agreement that outlines the responsibilities of both the client and TSP.

When a client engages us to provide investment management services on a non-discretionary basis, we monitor the accounts in the same way as for discretionary services. The difference is that changes to your account will not be made until we have confirmed with you (either verbally or in writing) that our proposed change is acceptable to you.

As of the date of this brochure, TSP is a newly formed business, and as such, we do not yet have a calculation as to how many client accounts or assets we manage on a discretionary basis.

## **5. Fees and Compensation**

### **A. Fees Charged**

All investment management clients will be required to execute an Investment Management Agreement that will describe the type of management services to be provided and the fees, among other items.

Financial planning fees can be either hourly or on a fixed fee basis. Our hourly charge is \$250 per hour. Fixed fee arrangements range from \$1,000 to \$5,000. Fees are negotiable, and will depend on the anticipated complexity of your plan.

Generally, fees vary from 1% to 2% per annum of the market value of a client's assets managed by TSP. Fees are negotiable and may be higher or lower than this range, based on the nature of the account. Factors affecting fee percentages include the size of the account, complexity of asset structures, and other factors.

### **B. Fee Payment**

Fees for financial planning will be billed to each client. If the client terminate the Financial Planning Agreement prior to the completion of the plan, any unearned fees will be return to the client.

### **C. Other Fees**

There are a number of other fees that can be associated with holding and investing in securities. TSP may cover the costs of many of these fees and charges as part of its management fees. Examples of these fees include transaction fees for the purchase or sale of a mutual fund or Exchange Traded Fund, or commissions for the purchase or sale of a stock. Expenses of a fund will not be included in management fees, as they are deducted from the value of the shares by the mutual fund manager. For complete discussion of expenses related to each mutual fund or ETF,

you should read a copy of the prospectus issued by that fund. TSP can provide or direct you to a copy of the prospectus for any fund that we recommend to you.

Please make sure to read Section 10 of this informational brochure, where we discuss broker-dealer and custodial issues.

#### *D. Pro-rata Fees*

**Financial Planning:** Clients are free to terminate financial planning services. If a client terminates the Financial Planning Agreement, any unearned fees will be returned to the client.

**Asset Management:** If you become a client during a quarter, you will pay a management fee for the number of days left in that quarter. You may terminate the asset management agreement by providing written notice to TSP. If you terminate our relationship during a quarter, you will be charged a management fee for the remainder of the quarter. Once your notice of termination is received, we will charge the fee through the date of transfer of your assets. For example, if you terminate your agreement and there are 45 days left in that quarter, half of the management fee that was deducted from your account for that quarter will be returned to you, either by returning it to your account before your assets move to another advisor, or by sending you a check from the firm.

Assets placed with a private placement may have limited withdrawal ability. In the event of a termination of a client account, assets with a private placement may not be as readily available as those assets invested without a private placement. During any time where assets are invested, a management fee will be charged.

#### *E. Compensation for the Sale of Securities.*

Certain professionals of TSP are registered representatives of Purshe Kaplan Sterling Investments ("PKS"), a FINRA member broker-dealer. Because PKS supervises the activities of these professionals as registered representatives of PKS, the relationship may be deemed material. However, PKS is not affiliated with TSP or considered a related party. PKS does not make investment decisions for client accounts. Registered representative status enables these professionals to receive customary commissions for the sales of variable annuity products, including those he recommends to clients. Commissions charged for these products will not offset management fees owed to TSP.

Receipt of commissions for investment products that are recommended to clients gives rise to a conflict of interest for the representative, in that the individual who will receive the commissions is also the individual that is recommending that the client purchase a given product. This conflict is disclosed to clients verbally and in this brochure. Clients are advised that they may choose to implement any investment recommendation through another broker-dealer that is not affiliated with TSP. TSP attempts to mitigate this conflict by requiring that all investment recommendations have a sound basis for the recommendation, and by requiring employees to acknowledge their fiduciary responsibility toward each client.

### **6. Performance Based Fees.**

Fees will not be based upon a share of capital gains or capital appreciation of your accounts

(otherwise known as “performance based fees”).

**7. Types of Clients.**

Clients advised may include individuals, trusts, foundations, pensions and corporations.

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

It is important for you to know and remember that all investments carry risks.

Each client’s portfolio will be invested according to that client’s investment objectives. We determine these objectives by interviewing the client and/or asking the client to put these objectives in writing. Once we ascertain your objectives for each account, we will develop a set of asset allocation guidelines. An asset allocation strategy is a percentage-based allocation to different investment types. For example, a client may have an asset allocation strategy that calls for 40-60% of the portfolio to be invested in mutual funds, 30-40% invested in stocks and the rest in bonds. Another client may have an asset allocation of 50-60% in bonds, and the remainder in mutual funds. The percentages in each type that we recommend are based on the typical behavior of that security type, individual securities we follow, current market conditions, your current financial situation, your financial goals, and the timeline to get you to those goals. Because we develop an investment strategy based on your personal situation and financial goals, your asset allocation guidelines may be similar to or different from another client’s.

Once we have designed your asset allocation guidelines, we will buy or sell securities in your portfolio to meet the guidelines of the asset allocation strategy. It is important to remember that because market conditions can vary greatly, your asset allocation guidelines are not necessarily strict rules. Rather, we review accounts individually, and may deviate from the guidelines as we believe necessary.

The specific securities we recommend for your account will depend on market conditions and our research at the time. Generally, we recommend a mix of mutual funds, stocks, bonds, exchange traded funds, closed-end funds, variable annuities and options. We may occasionally recommend a private placement (such as a hedge fund). We research securities on a fundamental basis, which means that we review what we believe the value of the security is, and what we think it will be in the future. We base our conclusions on predominantly publicly available research, such as corporate filings, press releases, competitor analyses, and in some cases research we receive from our broker-dealer or other market analyses. We will also occasionally utilize technical analyses, which means that we will review the past behaviors of the security and the markets in which it trades for signals as to what might happen in the future.

In the case of a private placement investment, our research must take a different approach. Here, we are not researching the security as much as the manager who will manage the hedge fund or separate account. In this case, if the manager is on the Schwab platform, we will review offering materials, performance history, and Schwab’s analysis of the manager. If the manager is not on Schwab’s platform, we will review background of the manager, back office and compliance, research staff, performance history, and other items to ensure, to the extent possible, that the manager is qualified to manage the assets it has.

There are always risks to investing. It is impossible to name all possible types of risks. Among the risks are the following:

- **Political Risks.** Most investments have a global component, even domestic stocks. Political events anywhere in the world may have unforeseen consequences to markets around the world.
- **General Market Risks.** Markets can, as a whole, go up or down on various news releases or for no understandable reason at all. This sometimes means that the price of specific securities could go up or down without real reason, and may take some time to recover any lost value.
- **Currency Risk.** When investing in another country using another currency, the changes in the value of the currency can change the value of your security value in your portfolio.
- **Regulatory Risk.** Changes in laws and regulations from any government can change the value of a given company and its accompanying securities.
- **Risks Related to Investment Term.** Securities do not follow a straight line up in value. All securities will have periods of time when the current price of the security is not an accurate measure of its value. If you require us to liquidate your portfolio during one of these periods, you will not realize as much value as you would have had the investment had the opportunity to regain its value.
- **Variable Annuities.** Variable are contracts between an investor and an insurance company. There may be substantial penalties for accessing the investment too early, including penalties assessed by the insurance company for early withdrawal or tax consequences for taking distributions too early.
- **Interest Rate Risk.** The risk that an investment's value will change due to a change in the absolute level of interest rates, in the spread between two rates, in the shape of the yield curve or in any other interest rate relationship. Such changes usually affect securities inversely and can be reduced by diversifying (investing in fixed-income securities with different durations) or hedging (e.g. through an interest rate swap).

## **9. Disciplinary Information**

None to report.

## **10. Other Financial Industry Activities and Affiliations**

James Simmons is a registered representative of Purshe Kaplan Sterling Investments (“PKS”). Because PKS supervises his activities as a registered representative of PKS, the relationship may be deemed material. However, PKS is not affiliated with The Simmons Partnership or considered a related party. PKS does not make investment decisions for client accounts. Mr. Simmons’ status as a registered representative enables him to receive customary commissions for the sales of variable annuity products, including those he recommends to clients. Any investments a client holds that are conducted through PKS will be excluded from the calculation of assets under management for the purpose of calculating management fees due to TSP.

## **11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

- A. A copy of our Code of Ethics is available upon request. Our Code of Ethics includes discussions of our fiduciary duty to clients, political contributions, gifts, entertainment, and trading guidelines.
- B. Not applicable.
- C. On occasion, an employee of TSP may purchase for his or her own account securities which are also recommended for clients. Our Code of Ethics details rules for employees regarding



personal trading and avoiding conflicts of interest related to trading in one's own account. To avoid placing a trade before a client (in the case of a purchase) or after a client (in the case of a sale), all employee trades must be pre-cleared through the Compliance Officer. All employee trades must either take place in the same block as a client trade or sufficiently apart in time from the client trade so the employee receives no added benefit. Employee statements are reviewed to confirm compliance with the trading procedures.

- D. On occasion, an employee of TSP may purchase for his or her own account securities which are also recommended for clients at the same time the clients purchase the securities. Our Code of Ethics details rules for employees regarding personal trading and avoiding conflicts of interest related to trading in one's own account. To avoid placing a trade before a client (in the case of a purchase) or after a client (in the case of a sale), all employee trades must be pre-cleared through the Compliance Officer. All employee trades must either take place in the same block as a client trade or sufficiently apart in time from the client trade so the employee receives no added benefit. Employee statements are reviewed to confirm compliance with the trading procedures.

## **12. Brokerage Practices**

### **A. Recommendation of Broker-Dealer**

TSP recommends that investment accounts be held in custody by Schwab Advisor Services ("Schwab"). Schwab offers enhanced services to independent investment advisors. These services include custody of securities, trade execution platforms, and access to research not available to the general public. As discussed in Item 7, Mr. Simmons and Mrs. Ryan are also registered representatives of PKS. In that capacity, it is expected that Mr. Simmons and/or Mrs. Ryan may recommend PKS to clients. Both Schwab and PKS are wholly independent from TSP. It is expected that most, if not all, transactions in a given client account will be cleared through the custodian of that account in its capacity as a broker-dealer.

TSP recommends Schwab and PKS to its clients based on a variety of factors. These include, but are not limited to, commission costs. Schwab has what can be considered discounted commission rates. However, in choosing a broker-dealer or custodian to recommend, we are most concerned with the value the client receives for the cost paid, not just the cost. Schwab and PKS add value beyond commission cost. Other factors that may be considered in determining overall value include speed and accuracy of execution, financial strength, knowledge and experience of staff, research and service. Schwab also has arrangements with many mutual funds that enable us to purchase these mutual funds for client accounts at reduced transaction charges (as opposed to other broker-dealers). Schwab has the highest market share of investment adviser business which makes them the most experienced in matters likely to arise for our clients. TSP re-evaluates the use of Schwab and PKS at least annually to determine if they are still the best value for our clients.

Schwab also makes available to The Simmons Partnership other products and services that benefit The Simmons Partnership but may not benefit its clients' accounts. These benefits may include national, regional or The Simmons Partnership specific educational events organized and/or sponsored by Schwab Institutional. Other potential benefits may include occasional business entertainment of personnel of The Simmons Partnership by Schwab Advisor Services personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist The Simmons Partnership in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account

statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of The Simmons Partnership fees from its clients' accounts, and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of The Simmons Partnership's accounts, including accounts not maintained at Schwab Institutional. Schwab Institutional also makes available to The Simmons Partnership other services intended to help The Simmons Partnership manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance and marketing. In addition, Schwab may make available, arrange and/or pay vendors for these types of services rendered to The Simmons Partnership by independent third parties. Schwab Institutional may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to The Simmons Partnership. While, as a fiduciary, The Simmons Partnership endeavors to act in its clients' best interests, The Simmons Partnership recommendation/requirement that clients maintain their assets in accounts at Schwab may be based in part on the benefit to The Simmons Partnership of the availability of some of the foregoing products and services and other arrangements and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

We do not consider whether Schwab, PKS or any other broker-dealer/custodian, refers clients to TSP as part of our evaluation of these broker-dealers.

We do not routinely recommend, request or require that a client direct us to execute trades through a specified broker-dealer.

*Please also see the discussion in Item 5 related to certain firm professionals' status as a registered representative of PKS.*

#### **B. Aggregating Trades**

Commission costs per client may be lower on a particular trade if all clients in whose accounts the trade is to be made are executed at the same time. This is called aggregating trades. Instead of placing a number of trades for the same security for each account, we will, when appropriate, execute one trade for all accounts and then allocate the trades to each account after execution. If an aggregate trade is not fully executed, the securities will be allocated to client accounts on a *pro rata* basis, except where doing so would create an unintended adverse consequence (For example, ¼ of a share, or a position in the account or less than 1%.)

### **13. Review of Accounts**

All accounts will be reviewed by one of TSP's licensed professionals, on at least an annual basis. However, it is expected that market conditions, changes in a particular client's account, or changes to a client's circumstances will trigger a review of accounts.

All clients will receive a quarterly report from TSP. This report will include valuations as of the end of each quarter and current asset allocations. For assets not invested in a private placement, clients will also receive statements from Schwab, and copies of all trade confirmations directly from Schwab. For assets invested in a private placement, clients will receive quarterly reports

from the private placement stating capital balances and performance.

We encourage you to compare the information on your quarterly report prepared by TSP against the information in the statements provided directly from Schwab and alert us of any discrepancies.

**14. Client Referrals and Other Compensation**

Not currently applicable.

**15. Custody**

TSP deducts fees from client accounts, but would not have custody of client funds otherwise. Clients will receive statements directly from Schwab, and copies of all trade confirmations directly from Schwab.

We encourage clients to carefully review the statements and confirmations sent to them by their custodian, and to compare the information on your quarterly report prepared by TSP against the information in the statements provided directly from Schwab. Please alert us of any discrepancies.

**16. Investment Discretion**

Asset management services may be provided on a “discretionary” basis. When TSP is engaged to provide asset management services on a discretionary basis, we will monitor your accounts to ensure that they are meeting your asset allocation requirements. If any changes are needed to your investments, we will make the changes. These changes may involve selling a security or group of investments and buying others or keeping the proceeds in cash. You may at any time place restrictions on the types of investments we may use on your behalf, or on the allocations to each security type. You may receive at your request written or electronic confirmations from your account custodian after any changes are made to your account. You will also receive monthly statements from your account custodian. Clients engaging us on a discretionary basis will be asked to execute a Limited Power of Attorney (granting us the discretionary authority over the client accounts) as well as an Investment Management Agreement that outlines the responsibilities of both the client and TSP.

We generally recommend that clients utilize Schwab Advisor Services to act as the broker-dealer/custodian for their accounts. However, the client may use another broker-dealer if the client wishes to do so. TSP will not, however, direct trades through another broker-dealer aside from Schwab Advisor Services in exchange for any sort of fee-sharing or commission-splitting.

## **17. Voting Client Securities**

Copies of our Proxy Voting Policies are available upon request.

From time to time, shareholders of stocks, mutual funds, exchange traded funds or other securities may be permitted to vote on various types of corporate actions. Examples of these actions include mergers, tender offers, or board elections. Clients are required to vote proxies related to their investments, or to choose not to vote their proxies. TSP will not accept authority to vote client securities. Clients will receive their proxies directly from the custodian for the client account.

## **18. Financial Information**

TSP does not require the prepayment of fees more than six (6) months or more in advance and therefore has not provided a balance sheet with this brochure.

TSP has discretion over some client accounts. There are no material financial circumstances or conditions that would reasonably be expected to impair our ability to meet our contractual obligations to our clients.

## **19. Requirements for State-Registered Advisers**

A. Principal Officers: The only principal officer is James Simmons, Managing Member of The Simmons Partnership, LLC. Mr. Simmons received his B.S. in Pure Math from Towson University in 1990. Prior to starting The Simmons Partnership, LLC in 2011, Mr. Simmons was Representative with Morgan Stanley Smith Barney since 2009.

B. Other Business:

Certain professionals of TSP are registered representatives of Purshe Kaplan Sterling Investments ("PKS"), a FINRA member broker-dealer. Because PKS supervises the activities of these professionals as registered representatives of PKS, the relationship may be deemed material. However, PKS is not affiliated with The Simmons Partnership or considered a related party. PKS does not make investment decisions for client accounts. Registered representative status enables these professionals to receive customary commissions for the sales of variable annuity products, including those he recommends to clients. Commissions charged for these products will not offset management fees owed to TSP.

Receipt of commissions for investment products that are recommended to clients gives rise to a conflict of interest for the representative, in that the individual who will receive the commissions is also the individual that is recommending that the client purchase a given product. This conflict is disclosed to clients verbally and in this brochure. Clients are advised that they may choose to implement any investment recommendation through another broker-dealer that is not affiliated with TSP. TSP attempts to mitigate this conflict by requiring that all investment recommendations have a sound basis for the recommendation, and by requiring employees to acknowledge their fiduciary responsibility toward each client.

- C. Performance Based Fees: TSP will not collect performance based fees.
- D. Disclosure Events: No management person of TSP has been involved in any disclosure events.