

FORM ADV PART 2A

Item 1 – Cover Page

**Family Office Partners, Inc.
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Atlanta, GA 30327
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February 2017

This brochure provides information about the qualifications and business practices of Family Office Partners, Inc. (“FOP”). If you have any questions about the contents of this Brochure, please contact us at (404) 849-6916 and/or aesprivatefm59@live.com. 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 FOP also is available on the SEC’s website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for FOP is 285939.

Any references to FOP as a registered investment adviser or its related persons as registered advisory representatives does not imply a certain level of skill or training.

Item 2 - MATERIAL CHANGES

At least annually, this section will discuss only specific material changes that are made to the Brochure and provides the client with a summary of such changes. Additionally, reference to the date of the last annual update to this Brochure will be provided.

The material changes discussed above are only those changes that have been made to this brochure since the firm's last annual update of the brochure.

In the past, we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure the client receives a summary of any material changes to this and subsequent brochures within 120 days of the close of our fiscal year, which is December 31st. We may further provide other ongoing disclosure information about material changes as necessary.

Additionally, Family Office Partners, Inc. will further provide the client with a new brochure as necessary based on change or new information, at any time, without charge.

Our brochure may be requested free of charge by contacting Alex Suarez at (404) 849-6916 or aesprivatefm59@live.com. Additional information about FOP is also available via the SEC's website www.adviserinfo.sec.gov. The website also provides information about any persons affiliated with FOP who are registered, or are required to be registered, as investment adviser representatives of FOP.

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Item 4 - ADVISORY BUSINESS

Family Office Partners, Inc. (hereinafter referred to as “FOP”) is an investment advisory firm offering a variety of advisory services customized to the client’s individual needs.

- A. FOP was established on December 15, 2016 and applied for investment adviser registration with the Securities and Exchange Commission in January 2017. Alex Suarez is the Chairman and current majority owner. All other owners own less than 25% of FOP.

FOP Advisory Representatives are independent contractors of FOP. As such, the Advisory Representatives maintain their own businesses and may offer other products and services such as insurance and tax preparation.

- B. FOP offers the following advisory services. Each of the services is more fully described below.
- Asset Management & Asset Allocation
 - Due Diligence, Advice, and Monitoring on Alternative Investments
 - Financial Planning & Family Office Advisory
 - Analysis, Recommendation, and Monitoring of Third Party Managed Programs
 - Pension Consulting
 - Risk Management & Loan Sourcing

Asset Management Services

The Advisory Representative will determine an asset allocation customized to the client’s financial goals, objectives, and risk tolerance. The Advisory Representative will take into consideration the client’s limitations or restrictions, the market and economy at the time, and financial situation, goals, and objectives. A client’s account may be managed similar to other clients and may be based on a model. The Advisory Representative will explain the management strategy determined for the client’s situation.

The Advisory Representative will provide continuous and ongoing management of the client’s account. Unless otherwise expressly requested by the client, FOP will manage the client’s portfolio on a discretionary basis and will make changes to the allocation as deemed appropriate by the Advisory Representative. FOP will determine the securities to be purchased and sold in the account and will alter the securities holdings from time to time, without prior consultation. FOP may actively trade securities and hold such holdings for periods of 30 days or less or maintain positions for longer or shorter term periods. Discretionary authority will be granted by the client to FOP by execution of the Asset Management agreement.

If the client elects to have their accounts managed on a nondiscretionary basis, no changes will be made to the allocation of the account without prior consultation and expressed agreement. There is risk with a nondiscretionary account management in that the Advisory Representative and FOP will not be able to make timely changes to the client’s portfolio to respond to market changes and swings. Therefore, the client may be more susceptible to market risks and

portfolio performance may be impacted if the Advisory Representative is not able to obtain the client's consent and authorization to execute specific transactions.

FOP Advisory Representatives utilize all forms of securities to manage a client's portfolio, including open-ended mutual funds, no-load and load waived or mutual funds purchased at net asset value (NAV), stocks, bonds, exchange traded funds (ETFs), options, alternative investments, and private placements. Additionally, various strategies may be employed depending on their Advisory Representative including options trading, margin, and short term trading. It is important to read the disclosures under Item 8 – Methods of Analysis, Investment Strategies, and Risk of Loss below.

Transactions in the account, account reallocations and rebalancing may trigger a taxable event, with the exception of IRA accounts, 403(b) accounts and other qualified retirement accounts.

Alternative Investments

FOP offers clients access to alternative investments such as real estate investment trusts and private placements. FOP will provide initial and ongoing due diligence on various programs and offer clients access to purchase units of the programs at net asset value. FOP will find issues and conduct due diligence initially and periodically including financial evaluation, credit and background checks on the principals, onsite inspections of facilities, and offer educational workshops and investor updates.

Typically, these types of investments are restricted to investors who meet the "accredited investor" definition under Regulation D. An individual satisfies the accredited investor definition if the individual has a net worth in excess of \$1,000,000 (exclusive of primary residence) or an income individually in excess of \$200,000 or jointly in excess of \$300,000 for the most recent two years.

Generally, FOP will require a \$1 million minimum total account size and a minimum allocation to alternative investments of \$1 million. Exceptions can be made based on several factors including clients' participation in other programs, the program, and other services client is receiving from FOP.

It is important clients refer to the disclosures under Item 8 below for a summary of risk factors associated with these types of investments and products that are generally illiquid and required a long-term time horizon. Further, it is important clients thoroughly read any offering memorandums for details about the risks, features, and objectives of each alternative investment program.

Financial Planning Services & Family Office Advisory

FOP offers broad-based and modular financial planning services. Financial planning services will typically involve providing a variety of services, principally advisory in nature, to clients

regarding the management of their financial resources based upon an analysis of the client's individual needs. FOP may use financial planning software to assist in determining the client's current financial position and define and quantify long term goals and objectives. The financial planning software provides hypothetical scenarios based on variables to assist a client to determine a course of action. In no way can any program or software predict future results. It is a tool to enable analysis based on historical information to review possibilities that could occur if historical events repeat.

A financial plan can analyze the following areas:

- **Personal:** Family records, budgeting, personal liability, estate information and financial goals.
- **Corporate:** Review all ownerships in LLC entities and closely held corporate entities to advise clients on optimal structures, liability, and litigation reducing governance, and litigation reducing buy/sell agreements.
- **Tax and Cash Flow:** Income tax and spending analysis and planning for past, current, and future years. FOP will illustrate the impact of various investments on a client's current and future income tax liability.
- **Death and Disability:** Cash needs at death, income needs of the surviving dependents, estate planning and disability income analysis
- **Retirement:** Analysis of current strategies and investment plans to help work toward retirement goals
- **Investments & Insurance:** Analysis of investment alternatives, and insurance products that strive to reduce taxes or increase after tax returns, and their potential effect on a client's portfolio performance.
- **Estate Planning:** Advice with respect to property ownership, distribution strategies, disposition of business interests, estate tax reduction, and tax reducing techniques as well as discussion of gifts, trusts, etc. Further, a review of death and disability issues will be examined. Tax consequences and their implications are identified, studied, and evaluated with accountants and or tax lawyers of the client.

The Advisory Representative will conduct various meetings with clients and key family members to then present an analysis of a client's situation and then make recommendations for steps to be taken to assist clients to work toward financial and strategic goals.

These detailed strategic plans are based on each client's different financial situation at the time they are made and at future times when they are reviewed and revised annually. Certain assumptions will be discussed and made with respect to changing interest and inflation rates, past trends, and performance of the market and economy. However, past performance and past economic trends have no bearing on future performance or results. FOP will never issue or make guarantees or promises that a client's financial goals and objectives will be met. Further, clients must remain committed to continually review and revise developed plans and update plans based upon changes in one's financial situation, goals, or objectives or changes in the economy. Any and all changes in financial situations, investment goals, risk tolerance, or time horizon, all clients must notify FOP immediately of those changes. The advice offered by FOP may be limited and is not meant to be comprehensive or timeless. Therefore, clients will need to seek the services of other professionals such as specialized attorneys and/or accountants.

Clients are not contractually obligated to implement advice through FOP or its Advisory Representatives. Should clients implement in part or in full developed plans with FOP's Advisory Representatives, compensation will be received for advice and time rendered.

Family Office Advisory

This service is for the ultra-high net worth client (i.e. at least \$10 million of investable assets). This service provides more advanced sophisticated comprehensive and financial planning that is on-going and addresses, risk management, tax planning, asset management, tactical and strategic asset allocation planning, closely held business planning, liability ledger planning, private equity capital sourcing, bank loan restructuring or refinancing, and no-bank loan sourcing services. Advanced planning under a "virtual family office" platform facilitates additional customized services for the high net worth client which in part will include tax efficient investment strategies, insurance products to manage multi-generational planning, and strategies to reducing estate taxes. Under this service, FOP may perform extensive due diligence on substantial alternative investment allocations that may include negotiations to obtain warrants and or directorships for investing clients. A former bank CEO that manages FOP's credit sourcing function performs liability ledger evaluations for clients to enhance and optimize borrowing terms from all lenders. Additionally, FOP will also examine and recommend ways to protect the estate by mitigating family and or business governance risks, by developing strategies to reduce or settle lawsuits, and by developing risk reducing good governance within families and within closely held businesses.

Risk Management & Loan Sourcing

These services which may or may not be rendered in combination with FOP's Family Office Advisory Services includes a *global risk assessment* relating to all foreseeable risk factors that are "micro" in character and relevant to a client, to controlled entities, and to family members. Direct and contingent liabilities are identified, documented, and a written plan to manage them, mitigate them, or resolve them is drafted for the client. Additionally, all personal or individual exposures such as bank loan guarantees are evaluated and negotiated with third parties to reduce or eliminate them. Reputation and health risk factors are also evaluated and strategies to reduce or eliminate "bad PR" risks are recommended which may include a car service whenever drinking, a substance abuse professional assessment, marriage counseling, an exercise regiment, and other lifestyle suggestions designed to avoid arrest, lawsuits, and other actions which may lead to negligence liabilities. Umbrella insurance coverages are reviewed and usually increased.

Within the scope of a client's *liability ledger review and analysis*, all loans are reviewed and some loans may be recommended for refinancing, pay-off, or increase. New loan sources, both bank and non-bank are evaluated and shopped when desirable. Interest charges and principal amortization are raised or lowered to achieve release of personal guarantees. Certain higher costing, higher equity, faster amortizing loans, may be recommended to achieve lower risk credit without personal guarantee exposures. Difficult to finance assets such as high-end

vacation properties, yachts, aircraft, art, collectibles, etc., that typically require pledging additional liquid collateral such as a stock and bond portfolio, are evaluated for alternative non-bank financing. The client goal is to always negotiate the best terms available, relative to the quality of the collateral, relative to the constant objective of minimizing or eliminating personal guarantee exposures, and relative to never pledging investment portfolios.

Analysis, Recommendation, and Monitoring of Third Party Managed Programs

SEI Investments Management Corporation

FOP offers an asset allocation and managed program (Managed Account Solutions and Integrated Managed Account) (the “Program”) through SEI Investments Management Corporation.

FOP provides the following services:

- Assist the client to evaluate and determine one or more of the SEI programs
- Assist the client to determine the asset allocation model best suited to each client’s investment objectives and risk tolerance. Clients may accept, reject, or modify asset allocations.
- Provide SEI with information concerning the client’s financial situation, investment objectives and any restrictions
- Monitor and oversee the managed account.
- Meet with the client at least annually to review the account and update the client’s suitability information
- Make changes to the selected asset allocation and/or selected managers (i.e. hire and fire managers) as the Advisory Representative deems appropriate
- Assist with account set up and completion of the Account Application.

It is important clients refer to SEI’s Disclosure Brochures and any applicable selected asset managers for additional information about the services and management program. Additionally, the SEI Account Application and the Investment Management Agreement contain important details about the program.

Other Third Party Managers

FOP offers clients access to the following third party managers.

- MP Investment Management
- Brinker Capital
- Andres Capital Advisors
- Gerstein Fischer
- Independent Portfolio Consulting

Additionally, FOP will periodically add other third party manager programs to its selection. Third party managers are selected based on several factors including performance,

management style and strategy, performance, tenure in the industry, reputation, history, services, and cost of the programs.

Depending on the third-party manager, FOP and the Advisory Representative will either be considered a solicitor or a sub-adviser. Regardless of how the third-party manager considers FOP's and the Advisory Representative's role and capacity, FOP and the Advisory Representative will evaluate the client's financial situation, recommend one or more third party manager programs, assist the client to select an asset management strategy, complete program documents, and provide continuous and ongoing monitoring of the client's account.

FOP and the Advisory Representative will not directly conduct securities transactions on behalf of the client or participate directly in the selection of the securities to be purchased or sold for the client. Investment decisions are made by the third-party manager in accordance with the agreement between the client and the manager.

Retirement Plan Consulting

FOP offers retirement consulting services to employee benefit plans and their fiduciaries. The services are designed to assist the plan sponsor (the "Company") with meeting its management and fiduciary obligations to the plan under ERISA.

When FOP acts as a 3(21) investment advisor, it may provide the following services:

- i. Provide non-discretionary investment recommendations to the Client with respect to the Included Assets as defined above in accordance with the Plan's investment policies and objectives. Client shall have the final decision-making authority regarding the initial selection, retention, removal, and addition of investment options including the selection of prudent and appropriate share classes.
- ii. Assist the Client with the selection of a broad range of investment options consistent with ERISA section 404(c) and the regulations thereunder. The Client retains the sole responsibility for all other compliance with ERISA section 404(c).
- iii. Assist the Client in the development of an IPS. The IPS establishes the investment policies and objectives for the Plan. Client shall have the ultimate responsibility and authority to establish such policies and objectives and to adopt and amend the investment policy statement.
- iv. Assist in monitoring investment options by preparing periodic investment reports that document investment performance, consistency of fund management and conformity to the guidelines set forth in the IPS and make recommendations to maintain or remove and replace investment options.
- v. Meet with Client at least annually to review plan reports and the investment recommendations, and more frequently at the discretion and agreement of the Advisor and Client.
- vi. Provide non-discretionary investment advice to the Plan Sponsor with respect to the selection of a QDIA for participants whom no investment selection has been made. The Client retains the sole responsibility to provide all notices to participants required under ERISA section 404(c)(5).

- vii. Advisor will provide investment advice to participants in group settings.

In addition to the fiduciary services provided above, FOP may perform certain non-fiduciary services for employee benefit plans and their fiduciaries. In those instances, FOP may provide the following services:

- i. Assist in the education of the participants in the Plan about general investment principles and the investment alternatives available under the Plan. Client understands that Advisor's assistance in participant investment education shall be consistent with and within the scope of (d) (i.e., the definition of investment education) of Department of Labor Interpretive Bulletin 96-1.
- ii. Assist in the group enrollment meetings designed to increase retirement plan participation among employees and investment and financial understanding by the employees.
- iii. Offer services to plan participants regarding assets outside the plan. These services will be governed by agreements directly with the participant and considered outside the scope of this Agreement. It is understood and will be communicated to the participant that the Client does not specifically endorse these services. Costs of these services may vary from those charged inside the Plan and will be based on the scope and complexity of each participant's situation.

The Company may also engage us to provide a review of executive benefits, for separate compensation.

FOP will determine with the Company in advance the scope of services to be performed and the fees for all requested services. Prior to engaging us to provide pension consulting services, the Company will be required to enter into a written agreement with us setting forth the terms and conditions of the engagement, describing the scope of the services to be provided, and the relevant fees and fee paying arrangements. The services outlined above that we provide are explained in more detail in the written agreement. We will also provide additional disclosures about our services and fees, where required by ERISA.

FOP will not be required to verify the accuracy or consistency of any information received from the Company.

FOP and its supervised persons will serve in a nondiscretionary ERISA fiduciary capacity with respect to some but not all the services that we provide which will be further explained in the written agreement we sign with the Company. The Company is always free to seek independent advice about the appropriateness of any recommendations made by FOP.

IRA Rollover Considerations – Important Information

As part of our consulting and advisory services, we may provide the client recommendations and advice concerning the client's employer retirement plan or other qualified retirement account. FOP's recommendations may include the client consider withdrawing the assets from their employer's retirement plan or other qualified retirement account and roll the assets over to

an individual retirement account ("IRA"). Further, we offer our management services be applied to those funds and securities rolled into an IRA or other account for which we will receive compensation. If the client elects to roll the assets to an IRA that is subject to FOP's management, FOP will charge the client an asset based fee as described above under Item 5. This practice presents a conflict of interest because persons providing investment advice on our behalf have an incentive to recommend a rollover to the client for the purpose of generating fee based compensation rather than solely based on the client's needs. The client is under no obligation, contractually or otherwise, to complete the rollover. Furthermore, if the client does complete the rollover, the client is under no obligation to have the assets in an IRA managed by us.

It is important for the client to understand many employers permit former employees to keep their retirement assets in their company plan. Also, current employees can sometimes move assets out of their company plan before they retire or change jobs. In determining whether to complete the rollover to an IRA, and to the extent the following options are available, the client should consider the costs and benefits of each.

An employee will typically have four options:

1. Leave the funds in the client's employer's (former employer's) plan.
2. Move the funds to a new employer's retirement plan.
3. Cash out and taking a taxable distribution from the plan.
4. Roll the funds into an IRA rollover account.

Each of these options has advantages and disadvantages and before making a change we encourage the client to speak with their CPA and/or tax attorney.

If the client is considering rolling over their retirement funds to an IRA for FOP to manage it is important the client understand the following:

1. Determine whether the investment options in the client's retirement plan address their needs or whether the client might want to consider other types of investments.
 - a. Employer retirement plans generally have a more limited investment menu than IRAs.
 - b. Employer retirement plans may have unique investment options not available to the public such as employer securities, or previously closed funds.
2. The client's current plan may have lower fees than our fees.
 - a. If the client is interested in investing only in mutual funds, the client should understand the cost structure of the share classes available in the client's retirement plan and how the costs of those share classes compare with those available in an IRA.
 - b. The client should understand the various products and services the client might take advantage of at an IRA provider and the potential costs of those products and services.
 - c. It is likely the client will not be charged a management fee and will not receive ongoing asset management services unless the client elects to have such services. In the event the client's plan offers asset management or model management, there

may be a fee associated with the services that is more or less than FOP's asset management fee.

3. FOP's strategy may have higher risk than the option(s) provided in the client's plan.
4. The current plan may offer financial advice, guidance, and/or model management or portfolio options at no additional cost.
5. If the client keeps assets titled in a 401k or retirement account, the client could potentially delay the required minimum distribution beyond age 70.5 (70 ½).
6. The client's 401k may offer more liability protection than a rollover IRA; each state may vary.
 - a. Generally, federal law protects assets in qualified plans from creditors. Since 2005, IRA assets have been generally protected from creditors in bankruptcies. However, there can be some exceptions to the general rules so the client should consult an attorney if the client is concerned about protecting the retirement plan assets from creditors.
7. The client may be able to take out a loan on their 401k, but not from an IRA.
8. IRA assets can be accessed any time; however, distributions are subject to ordinary income tax and may also be subject to a 10% early distribution penalty unless they qualify for an exception such as disability, higher education expenses or the purchase of a home.
9. If the client owns company stock in the plan, the client may be able to liquidate those shares at a lower capital gains tax rate.
10. The client's plan may allow the client to hire FOP as the manager and keep the assets titled in the plan name.

It is important that the client understand the differences between these types of accounts and to decide whether a rollover is best for the client. Prior to proceeding, if the client has questions contact the FOP Advisory Representative, or call FOP's main number as listed on the cover page of this brochure.

General Information

The client is advised the investment recommendations and advice offered by FOP are not legal advice or accounting advice. The client should coordinate and discuss the impact of financial advice with their attorney and/or accountant. The client is advised that it is necessary to inform FOP promptly with respect to any changes in their financial situation and investment goals and objectives. Failure to notify FOP of any such changes could result in investment recommendations not meeting the client's needs.

- C. FOP tailors the advisory services it offers to a client's individual needs. The client may impose restrictions and/or limitations on the investing in certain securities or types of securities. The Advisory Representative will gather personal financial information and suitability about the client as well as personal identifying information that can be used to verify the client's identity. The Advisory Representatives will gather information from the client in various ways including by use of a fact finder or data gathering questionnaire and/or personal interviews. Additionally, the Advisory Representative will request the client to provide documentation of the client's financial accounts. Depending on the services the client has requested, the

Advisory Representative may request additional information, including but not limited to, copies of wills, trusts, beneficiaries, assets, liabilities, insurance policies, retirement plans, and cash flow details. The information gathered by FOP will assist FOP to provide the requested services and customize the services to the client's financial situation. Depending on the services requested, FOP will gather various financial information and history including, but not limited to:

- Retirement and financial goals
- Investment objectives
- Investment horizon
- Financial needs
- Cash flow analysis
- Cost of living needs
- Education needs
- Savings tendencies
- Other applicable financial information required by FOP in order to provide the investment advisory services requested.

- D. FOP does not participate in a wrap fee program. The client will pay fees as disclosed under Item 5 – Fees and Compensation and any transaction charges assessed by the account custodian. Please read important disclosures under Item 5 – Fees and Compensation for details about the fees, costs, and expenses associated with services.
- E. As of the date of the initial filing, FOP does not have assets under management.

Item 5 - FEES AND COMPENSATION

FOP Advisory Representatives determine their fee schedule based on the maximum fee schedules outlined below for each of the advisory programs. Therefore, fees will vary between FOP Advisory Representatives and there may be another FOP Advisory Representatives who charges a fee more or less than the fee quoted for similar management services. Fees are negotiable up to the maximum stated fee. An Advisory Representative's fee schedule is not commensurate with the experience and education of the Advisory Representative.

Asset Management Services

- A. The Advisory Representative will quote a fee not to exceed 2% annually. The client's fee will be based on several factors including the amount of assets under management, type of management services, complexity of the managed services, advisory needs, and frequency of trading.

Fees are negotiable and are not based on a share of capital gains upon or capital appreciation of the funds or any portion of the funds.

Should the client have multiple accounts under management, the Advisory Representative will advise the client whether or not a fee will be determined based on each account value or if a fee for the portfolio will be determined and applied over the entire portfolio.

The client may make additions to the Account or withdrawals from the Account. Additional assets deposited into the Account after it is opened will be charged a pro-rata fee based upon the number of days remaining in the then current quarterly period. Additionally, partial withdrawals from the account will result in a prorated portion of the fee being credited to the Account. No fee adjustments will be made for Account appreciation or depreciation.

FOP may change the above fee schedule upon 30-days prior written notice to the client.

- B. Advisory fees will generally be collected directly from the client's account, provided the client has given FOP written authorization. The client will be provided with an account statement reflecting the deduction of the advisory fee direct from the account custodian. If the Account does not contain sufficient funds to pay advisory fees, FOP has limited authority to sell or redeem securities in sufficient amounts to pay advisory fees. The client may reimburse the account for advisory fees paid to FOP, except for ERISA and IRA accounts.
- C. In addition to the advisory fees above, the client will pay transaction fees for securities transactions executed in the client's account in accordance with the custodian's transaction fee schedule. Additionally, the client may pay fees for custodial services, account maintenance fees, transaction fees, and other fees associated with maintaining the Account. Such fees are not charged by FOP and are charged by the product, broker/dealer or account custodian. FOP does not share in any portion of such fees. Additionally, the client may pay their proportionate share of the fund's management and administrative fees and sales charges as well as the mutual fund adviser's fee of any mutual fund they purchase. Such advisory fees are not shared with FOP and are compensation to the fund-manager.
- D. Advisory fees will be charged on a quarterly basis. Advisory fees are either charged in advance or in arrears of the quarterly period. The client and the Advisory Representative will determine a fee payment schedule. The quarterly advisory fee will be based on the value of the Account on the last business day of the just completed quarterly period. Fees for partial periods will be prorated. The initial quarterly fee will be a pro-rated portion of the fee based on the number of days remaining in the quarterly period.
- E. Certain Advisory Representatives of FOP may be dually registered representatives of various broker/dealers including American Portfolios Financial Services, Inc. ("APFS"), a registered broker/dealer, member of the Financial Industry Regulatory Authority (FINRA) and SIPC

If the client elects to implement investment advice received from FOP through a FOP Advisory Representative who is a dually registered with a broker/dealer, such advice can be implemented on a fee basis through FOP or on a fee and/or commission basis through the Advisory Representative's broker/dealer. In such a case, Advisory Representative may receive a portion of his or her compensation as a commission. This practice presents a conflict of interest and gives the Advisory Representative has an incentive to recommend investment

products based on the compensation received rather than on a client's needs and where a fiduciary duty standard is not practiced when these transactions are made through a broker deal and not through FOP.

Advisory Representatives who are Registered Representatives receive trail commissions (i.e. 12b-1 fees) so long as the client holds those funds and the Advisory Representative remains registered with a broker/dealer. Load and no-load mutual funds may pay annual distribution charges, sometimes referred to as 12b-1 fees. 12b-1 fees come from fund assets, therefore, indirectly from client assets. 12b-1 fees are initially paid to the Advisory Representative's broker/dealer and a portion is passed to the Advisory Representatives. The receipt of such fees represents an incentive for the Advisory Representatives to recommend funds with 12b-1 fees over funds that have no fees or lower fees. As a result, there is a potential conflict of interest.

These practices present a conflict of interest and give dually registered Advisory Representative an incentive to recommend investment products based on the compensation received, rather than on a client's needs. FOP will attempt to mitigate conflicts of interest by:

- Informing and disclosing client conflict of interest in this Disclosure Brochure.
- Maintaining and abiding by our Code of Ethics which requires us to place a client's interest first and foremost.
- Routine review of transactions.
- Advising clients of their right to decline to implement our recommendations and the right to choose other financial professionals for implementation.
- Recognizing and advising clients that FOP is a fiduciary, is beholden to fiduciary duty standards, and has an obligation to conduct its business in the best interest of its clients and not in FOP's interest.

Clients may purchase the securities recommended by their Advisory Representative directly or through other brokers or agents.

Termination Provisions

The client may terminate investment advisory services obtained from FOP, without penalty, upon written notice within five (5) business days after entering into the advisory agreement with FOP. The client will be responsible for any fees and charges incurred from third parties as a result of maintaining the Account such as transaction fees for any securities transactions executed and Account maintenance or custodial fees. Thereafter, the client may terminate investment advisory services upon written notice to FOP. Should the client terminate investment advisory services during a quarterly period, the client will be issued a pro-rated refund of the advisory fee, if fees are paid in advance, from the date of termination to the end of the quarterly period. If the client pay fees in arrears of the quarterly period, the final fee will be calculated up to the date of termination and deducted from the client's account. Should assets be transferred and FOP is unable to deduct its fee, a fee invoice will be sent to the client and will require payment in the form of a check within 30 days.

Alternative Investments

The Advisory Representative will charge a maximum of 1% fee based on the amount a client invests into a product or offering. Fees are negotiable. The fee is due upon execution of the advisory agreement and completion of the offering memorandum. Fees are considered earned upon a client's investment into a program and no refunds of fees will be issued. The fee covers the Advisory Representatives time for evaluating their financial situation to determine the suitability of the investment, assisting with the application process, and ongoing monitoring and review of the investment. The client will purchase units at net asset value; therefore, the FOP Advisory Representative will never receive commissions or other sales related compensation as a result of a client's investment into any alternative product sold.

Additionally, FOP may receive a fixed fee direct from each product sponsor for its due diligence services which may place an evaluated product onto FOP's Alternatives Recommended List (the "List") which is subject to semi-annual reviews of each product on the List. Asset allocation within the List will include diversification of exposure in different asset classes such as apartment REITS, other real estate REITS, finance REITS, private equity funds, BDC's, hedge funds, tax-free exchange funds, LBO funds, non-bank lending funds, etc. This fee will not result in a client paying more or less for units of any partnership that will be sold at "NAV". This is a conflict of interest to recommend certain alternative investments from which FOP will or may receive compensation from product sponsor that may compensate FOP for its extension due diligence that it performs on all evaluated products which may or may not make or stay on the List. The amount of compensation will be negotiated with each product sponsor.

FOP also offers its updating List and due diligence research institutionally to other independent fee-based investment advisers as an outsource solution to address the extensive time and expertise required to mitigate some of the risks inherent in recommending and vetting lengthy private placement investments with numerous pages of risk factors to weigh. For such services, FOP will charge the independent investment advisory firm a negotiated "coverage fee" which will vary based on length and number of client workshops, the number of written research reports produced, and the number of investments made from the List. In some cases, compensation for these services may be also billed to the product sponsor along with the firms that contract for these institutional services, resulting in similar conflicts (mentioned above with private clients) of receiving any compensation from product sponsors which may or may not make the List and which may or may not remain on the List.

Financial Planning Services, Family Office Advisory, Risk Management & Loan Sourcing

Fees for planning services and Family Office Services including Risk Management & Loan Sourcing advisement are strictly for planning services. Therefore, the client may pay fees for additional services obtained such as asset management or products purchased such as securities or insurance.

Fees are negotiable. The client's fees will be dependent on several factors including time spent with FOP, number of meetings, complexity of the client's situation, amount of research, services requested and staff resources.

Basic Financial Planning Fees.

Fee Type	Maximum Fee	Payable
Fixed Fee	\$50,000	A fee payment schedule will be negotiated between the client and the Advisory Representative. The client will not be requested to prepay more than \$1,200 and six or more months in advance of receiving the advisory service.
Hourly Fee	\$250 per hour	Payable at the end of each month based upon time spent by FOP.

Family Office Advisory Fees

Annual fee not to exceed \$100,000. A fee payment schedule will be negotiated with the client. Generally, fees will be due and payable on a quarterly basis.

Termination Provisions

The client may terminate advisory services obtained from FOP, without penalty, upon written notice within five (5) business days after entering into the advisory agreement with FOP. Thereafter, the client may terminate investment advisory services upon written notice to FOP. Client will be responsible for any time spent by FOP and minimum earned fees may apply and no more than 50% of a collected fee is reimbursable for work done.

Analysis, Recommendation, and Monitoring of Third Party Managed Programs

SEI Investments Management Corporation

- Advisory fees are deducted from the client's account on a quarterly basis in accordance with the client agreement.
- The quarterly fee will be deducted from the account at the end of each calendar quarter based upon the value of the account on the last business day of the calendar quarter.
- Advisory fees are negotiable
- Fees are not based on a share of capital gains upon or capital appreciation of the funds or any portion of the funds.
- Additional deposits to the Account will be subject to the same billing procedures.

FOP's and the Advisory Representative's fee for the SEI program will not exceed 2% of the value of assets in the SEI program as valued at the end of each calendar quarter by SEI. The client and their Advisory Representative will negotiate a fee.

In addition to the advisory fee, client may incur charges imposed by SEI in connection with investments made through the SEI Program such as SEI fund management fees, administrative servicing fees, SEI account maintenance fees, and other fees charged by SEI or the custodian for any IRA or qualified retirement account. Information regarding charges and fees assessed by SEI is further disclosed in the SEI Fund prospectus and in the SEI Client Agreement.

Clients may terminate FOP's services within five (5) business days of a client's execution of the advisory agreement without penalty. Thereafter, client may terminate upon FOP's receipt of client's written notice to terminate. Client will be responsible for a prorated portion of the advisory fee for the quarter up to the date of termination. Client may terminate participation in the SEI managed program in accordance with the termination provisions disclosed and contained in the SEI Disclosure Brochure and Investment Management Agreement.

It is important clients refer to the Disclosure Brochures of SEI and selected asset managers for additional information about the services and management program. Additionally, the SEI Account Application and the Investment Management Agreement contain important details about the program.

Other Third Party Managers

FOP will be compensated for its management services and for recommending third party manager program(s) and services. Clients participating in a third-party manager program will pay fees to the third-party manager, program fee (if applicable), FOP, and unless the program is a wrap fee program, the client will pay transaction fees. FOP will be compensated by one of the following methods.

1. FOP will assess a fee not to exceed 2% annually. The third-party manager will charge a total fee consisting of FOP's fee, the third-party manager's fee, and any administrative or program fees as disclosed by the program to the account and remit FOP its portion of the advisory fee. FOP will pay a portion of the fee to the Advisory Representative. Refer to the third-party manager Form ADV Part 2A and the client agreement for details of the fee payment schedule.
2. FOP will assess a fee not to exceed 2% annually. The fee will be deducted directly from the client's account on a quarterly basis either in arrears or in advance as agreed between the client and their Advisory Representative. The client will provide FOP authorization to deduct the fee directly from their account via the client advisory agreement. Fees for partial quarterly periods will be prorated.

Clients may terminate FOP's services and the third-party manager's services in accordance with the terms of the advisory agreement executed between the client, FOP, and the third-party manager.

It is important clients refer to the Disclosure Brochures of the third-party manager for additional information about the services and management program. Additionally, the third-party manager's Account Application and the Investment Management Agreement contain important details about the program.

Retirement Plan Consulting

Depending on the services agreed to between the Advisory Representative and the plan, fees can be a percentage of plan assets or an annual fixed fee as negotiated and agreed to between plan and the Advisory Representative.

Family Office Partners, Inc.

Maximum percentage fee of 2% of plan assets
Flat fee not to exceed \$100,000 paid in quarterly installments for the largest plans (e.g. plans \$10 million or larger).

Fees will be payable either: quarterly in advance or arrears. A fee payment schedule will be negotiated and agreed to between the Plan and the Advisory Representative.

Termination Provisions

The client may terminate advisory services obtained from FOP, without penalty, upon written notice within five (5) business days after entering into the advisory agreement with FOP. The client will be responsible for any fees and charges incurred from third parties as a result of maintaining the Account such as transaction fees for any securities transactions executed and Account maintenance or custodial fees. Thereafter, the client may terminate advisory services upon written notice to FOP. Should the client terminate advisory services during a quarterly period, the client will be issued a pro-rated refund of the advisory fee, if fees are paid in advance, from the date of termination to the end of the quarterly period. If the client pay fees in arrears of the quarterly period, the final fee will be calculated up to the date of termination and deducted from the client's account. Should assets be transferred and FOP is unable to deduct its fee, a fee invoice will be sent to the client and will require payment in the form of a check within 30 days.

Item 6 - PERFORMANCE-BASED FEES AND SIDE BY SIDE MANAGEMENT

This section is not applicable to FOP since FOP does not charge performance based fees.

Item 7 - TYPES OF CLIENTS

FOP's services are geared toward individuals both high net worth (i.e. clients with a net worth of \$2,000,000 or more exclusive of primary residence or has at least \$1,000,000 under management with FOP) and other than high net worth; pension/profit sharing plans and similar qualified plan assets, charitable organizations, and large and small businesses.

FOP requires a minimum of a \$25,000 annual planning fee per advisory client, or \$5 million in assets under managed portfolios where a minimum fee of \$50,000 is charged annually. FOP will make exceptions from time to time based on factors such as relationship with the client, planning revenue, asset allocation in the List, and other family members' participation in services, additional assets to be managed in the future, future business needs, and other factors to be considered by FOP.

Alternative Investments

FOP will require a \$1 million minimum total account size and a minimum allocation to alternative investments of \$1 million. Exceptions can be made based on several factors including clients' participation in other programs, the program, and other services client is receiving from FOP.

Item 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

- A. FOP conducts economic analysis and attempts to analyze and determine the trends. Additionally, FOP conducts fundamental analysis. Fundamental analysis generally involves looking at economic and financial factors. Additionally, we are assessing a company's or security's value based on factors such as sales, assets, markets, management, products and services, earnings, and financial structure.

FOP will conduct technical market analysis and technical trend following. Technical analysis generally involves studying trends and movements in a security's price, trading volume, and other market-related factors in an attempt to discern patterns.

FOP investment management philosophy is long term (i.e. purchases of securities held at least a year). However, FOP will monitor portfolio holdings and if there are concern factors, FOP may determine to not continue to maintain the position in the portfolio. Factors that may result in a change include but are not limited to, economic factors, management changes with the security, tax law changes, objective change, and news or press releases.

FOP utilizes various resources to conduct research and due diligence to provide advisory services to clients. Such services include, but are not limited to, engaging other financial professionals, such as investment adviser, brokers, accountants, attorneys, insurance professionals, banking professionals, counselors, etc., and software programs.

- B. FOP emphasizes that investment returns, particularly over shorter time periods, can be highly volatile and are dependent on a wide variety of factors. Thus, our investment management services are generally suitable only for long-term investment objectives or strategies, rather than for short-term trading purposes. Neither diversification nor asset allocation assure a profit or protect the client against a loss, and there is no guarantee that investment objectives will be achieved.

Investing in securities involves risk of loss, including the potential loss of principal. Therefore, participation in any of the management programs offered by FOP will require the client to be prepared to bear the risk of loss and fluctuating performance.

FOP does not represent, warrant or imply that the services or methods of analysis used by FOP can or will predict future results, successfully identify market tops or bottoms, or insulate the client from losses due to major market corrections or crashes. Past performance is no indication of future performance. No guarantees can be offered that a client's goals or objectives will be achieved. Further, no promises or assumptions can be made that the advisory services offered by FOP will provide a better return than other investment strategies.

- C. The risks with mutual funds and include:
- Manager Risk: which is the risk that an actively managed mutual fund's investment adviser will fail to execute the fund's stated investment strategy.
 - Market Risk: which is the risk that the Stock Market will decline, decreasing the value of the securities contained within the mutual funds we recommend.

Family Office Partners, Inc.

- **Industry Risk:** which is the risk that a group of stocks in a single industry will decline in price due to adverse developments in that industry, decreasing the value of mutual funds that are significantly invested in that industry.
- **Inflation Risk:** which is the risk that the rate of price increases in the economy deteriorates the returns associated with the mutual fund.

Mutual fund fees are described in the fund's prospectus, which the custodian mails directly to the client following any purchase of a mutual fund that is new to the client's account. In addition, a prospectus is available online at each mutual fund company's Web site. At the client's request at any time FOP will direct the client to the appropriate Web page to access the prospectus.

ETFs are professionally managed pooled vehicles that invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities, or any combination thereof. ETFs trade on an auctionable market. Therefore, there is more price fluctuation with ETFs than with mutual funds since ETFs trade throughout the day, whereas mutual funds are priced once a day. Also, since most ETFs only mirror a market index, such as the S&P 500, they won't outperform the index. While ETFs generally provide diversification, risks can be significantly increased for funds concentrated in a particular sector of the market, or that primarily invest in small cap or speculative companies, use leverage (i.e. borrow money) to a significant degree, or concentrate in a particular type of security rather than balancing the fund with different types of securities.

The risks with stocks and bonds are that their prices fluctuate throughout the day. Stocks can drop in value and become worthless. The risks with stocks are market risk and company specific risk. The price of a stock can decline due to company-specific reasons as well as the health of the overall stock market. Even dividends, which many beginning investors believe are guaranteed payments by the company, can decline or be eliminated.

Investing in fixed income securities involves special risks not typically associated with equity securities. These risks include credit risk, which is the risk of potential loss due to the inability to meet contractual debt obligations, and interest rate risk, which is the risk that an investment's value will change due to a change in the level of interest rates. Additionally, there is an inverse relationship between bond prices and interest rates specific to fixed income securities. As interest rates rise, bond prices fall and, conversely, as interest rates fall, bond prices rise.

Bonds – Investing in bonds involves the assumption of risk including:

- **Interest Rate Risk:** which is the risk that the value of the bond investments will fall if interest rates rise.
- **Call Risk:** which is the risk the bond investment will be called or purchased back from when conditions are favorable to the bond issuer and unfavorable.
- **Default Risk:** which is the risk that the bond issuer may be unable to pay the contractual interest or principal on the bond in a timely manner or at all.

Alternative and Private Placement Investments

Investing in alternative and private placement investments involves unique and serious risks an investor must be prepared to bear. It is crucial an investor reads the offering memorandum prior to investing for full disclosure of qualification requirements and risks including:

- Operational, economic, market cycles and trends, investment, tax
- Risk of hedge funds, derivatives, and other investment vehicles
- Trading risks such as short selling, performance based fees, limited operating and investment experience, consulting fees, interest and lending fees
- Use of leverage
- Illiquidity or limited liquidity
- Non-existence of or minimal secondary market
- Valuation complexities
- High degree of risk and potential loss of principal

International investing presents certain risks not associated with investing solely in the United States. These include, for instance, risks relating to fluctuations in the value of the U.S. dollar relative to the values of other currencies, custody arrangements made for foreign holdings, political risks, differences in accounting procedures and the lesser degree of public information required to be provided by non- U.S. companies.

Investing in emerging markets involves greater risk than investing in more established markets. Such risks include exchange rate changes, political and economic upheaval, the relative lack of information about these companies, relatively low market liquidity, and the potential lack of strict financial and accounting controls and standards.

In instances where FOP recommends a third party manage the client's assets, please refer to the third party's Form ADV and associated disclosure documents for details on their investment strategies, methods of analysis and associated risks. The risks with utilizing third party managed programs include:

- Market and economic risk.
- The risk the third-party manager is not managing to the objective or managing based on the stated strategy.
- The risk the securities managed by the third-party manager will decline or fluctuate impacting the overall performance of the portfolio.
- The risk that the performance of the portfolio will be diminished by the fees of the third-party manager and expenses associated with the securities.

Investing in micro, small or mid-sized companies may involve risks not associated with investing in more established companies. Since equity securities of smaller companies may not be traded as often as equity securities of larger, more established companies, it may be difficult or impossible for the securities to sell.

Investing in a non-diversified fund that concentrates holdings into fewer securities or industries involves greater risk than investing in a more diversified fund.

An investment in commodity-linked derivative instruments may be subject to greater volatility than investments in traditional securities and are not suitable for all investors.

Long-term purchases – Using a long-term purchase strategy generally assumes financial markets will go up in the long-term which may not be the case. There is also the risk the segment of the market that the client is invested in or perhaps securities holdings will go down over time, even if the overall financial markets advance. Purchasing investments long-term may create an opportunity cost - “locking-up” assets that may be better utilized in the short-term in other investments.

Active Trading – frequent trading of securities; explain how frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes

Fundamental Analysis does not attempt to anticipate market movements. This represents a potential risk, as the price of a security can move up or down along with the overall market, regardless of the economic and financial factors considered in evaluating the security. The success of this strategy depends in large part on the ability to accurately assess the fundamental value of securities. An accurate assessment of fundamental value deepens on a complex analysis of a number of financial and legal factors. No assurance can be given that we can assess the nature and magnitude of all material factors having a bearing on the value of securities.

Quantitative Analysis – The risk of the analysis using mathematical and statistical modeling is that they may not accurately predict future investment patterns. Day to day changes in the market prices of investments may follow random patterns and may not be predictable with any reliable degree of accuracy.

Qualitative Analysis: The risk of analysis using more subjective criteria is that the information obtained to make the analysis may be inaccurate and skew the analysis. In addition, measuring (or weighting) the criteria will likely be inconsistent from one analysis to another and could adversely affect the investment decisions.

Cyclical Analysis: Economic/business cycles may not be predictable and may have many fluctuations between long term expansions and contractions. The lengths of economic cycles may be difficult to predict with accuracy and therefore the risk of cyclical analysis is the difficulty in predicting economic trends and consequently the changing value of securities that would be affected by these changing trends.

Investment Techniques: We may utilize techniques such as borrowing to increase equity exposure and investing and trading in options, forward contracts swaps and other derivative instruments. Although employing these techniques expands the opportunity for gain, it also substantially increases the risk of volatility and loss.

Risks

The business of investing in securities is highly competitive and the identification of attractive investment opportunities is difficult and involves a high degree of uncertainty. No program, service, or other financial professional can detect market changes. Often there is a degree of

assumption used which is based on historical data. There is no guarantee future trends will repeat history or that the assumptions used are accurate.

Tax Risk

Income tax costs may result from the sale of individual securities within the client's account, unless the account is otherwise tax sheltered or tax deferred. Income tax costs directly reduce investment returns. Under the current income tax system, securities held less than one year that are sold at a gain (short term capital gains) are taxed at the client's highest marginal tax rate, and securities held greater than one year that are sold at a gain (long term capital gains) are taxed at a reduced long term capital gains rate. Furthermore, the potential Alternative Minimum Tax (AMT) impact of long and short-term capital gains incurred in the tax year in question should be considered. Client is responsible for all tax liabilities arising from the sale of securities within the account.

Inflation Risk:

The risk that the rate of price increases in the economy deteriorates the returns associated with the bond.

No investment strategy can avoid loss. Investing in securities involves risk of loss that the client needs to be prepared to bear.

These are some of the primary risks associated with the way FOP recommends investments to the client, please do not hesitate to contact FOP to discuss these risks and others in more detail.

Item 9 - DISCIPLINARY INFORMATION
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Investment Advisers must disclose any legal or disciplinary events that would be material to the evaluation of FOP or the integrity of our services. There is no reportable disciplinary information required for FOP or its management persons that is material to the client's evaluation of FOP, its business or its management persons.

Item 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

- A. Certain Advisory Representatives are dually registered as advisory representatives of FOP and as registered representatives of a registered broker/dealer, member of the Financial Industry Regulatory Authority ("FINRA") and SIPC, including American Portfolios Financial Services, Inc. ("APFS"). The client is under no obligation to purchase or sell securities through the Advisory Representative. However, if the client chooses to implement the plan, commissions may be earned in addition to any fees paid for advisory services. Commissions may be higher or lower at the Advisory Representative's broker/dealer than at other broker/dealers. Advisory Representatives have a conflict of interest in having the client purchase securities and/or insurance related products through the broker/dealer since they can earn commissions in addition to advisory fees.

B-C. Certain Advisory Representatives are licensed insurance agents and offer life, health, disability, long term care, and variable and fixed annuity products. Clients purchasing insurance products and services through Advisory Representatives will result in the Advisory Representative receiving commissions. This is considered a conflict of interest. To mitigate this conflict of interest, the client is advised there may be other insurance products and services that are suitable for their needs at a lower cost. The client is under no obligation to purchase insurance products and services through FOP Advisory Representatives.

FOP is not and does not have a related person who is a: futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities. Further, FOP is not and does not have a related person who is: broker/dealer or other similar type of broker or dealer; investment company, futures commission merchant or commodity pool operator; banking or thrift institution; pension consultant; or real estate broker or dealer.

Advisory Representatives may engage in other businesses. FOP has an Advisory Representative who is an attorney. Any legal services provided by the Advisory Representative is not considered offered or provided by FOP. Such a business is a separate business of the Advisory Representative and is not affiliated with the services provided by FOP.

FOP attempts to mitigate the conflicts of interest with the potential receipt of commissions if recommendations are implemented by providing the client with these disclosures. Further, the client is encouraged to consult other professionals and may implement recommendations through other financial professionals. Furthermore, as registered representatives of a broker/dealer, Advisory Representatives are subject to the supervisory structure of the broker/dealer for their securities business.

D. As stated under Item 4, *Advisory Business* above, FOP recommends other investment advisers (i.e. third party managers) and will receive a portion of the fee charged to the client by the investment adviser. Since FOP has an interest in the compensation this is considered a material conflict of interest. FOP selects third party managers based on several criteria including cost, type of management, past history, ability to meet a need and provide a unique service. Since the fee charged to the client is based on the value of their portfolio, all parties have an incentive to work toward performance goals and objectives. Consequently, if the third-party manager does not adequately manage the account and the value of the portfolio goes down, so does the third-party manager's and FOP's compensation.

The compensation paid to FOP by third party managers may vary. Thus, there may be a conflict of interest to recommend a manager who shares a larger portion of its advisory fees over another manager. Additionally, the fees charged to clients utilizing a third-party manager recommended by FOP are higher than if the client obtained services directly from the third-party manager.

Item 11 - CODE OF ETHICS, PARTICIPATION OF INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING
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Code Of Ethics

- A. FOP has a fiduciary duty to act in clients' best interest and always place their interests first and foremost. FOP takes seriously its compliance and regulatory obligations and requires all staff to comply with such rules and regulations as well as FOP's policies and procedures. Further, FOP strives to handle non-public information in such a way to protect information from falling into hands that have no business reason to know such information and provides the client with FOP's Privacy Policy. As such, FOP maintains a code of ethics for its Advisory Representatives, supervised persons, and staff. The Code of Ethics contains provisions for standards of business conduct in order to comply with federal securities laws, personal securities reporting requirements, pre-approval procedures for certain transactions, code violations reporting requirements, and safeguarding of material non-public information about clients' transactions. Further, FOP's Code of Ethics establishes FOP's expectation for business conduct. A copy of our Code of Ethics will be provided to the client upon request.
- B. Neither FOP nor its associated persons recommend clients buy or sell securities in which we have a material financial interest.
- C. FOP and its associated persons may buy or sell securities identical to those securities recommended to the client. Therefore, FOP and/or its associated persons may have an interest or position in certain securities that are also recommended and bought or sold to the client. FOP and its associated persons will not put their interests before clients' interests. FOP and its associated persons may not trade ahead of a client or trade in such a way to obtain a better price for themselves than for clients.
- D. FOP is required to maintain a list of all securities holdings for its associated persons and develop procedures to supervise the trading activities of associated persons who have knowledge of clients' transactions and their related family accounts at least quarterly. Further, associated persons are prohibited from trading on non-public information or sharing such information.

The client has the right to decline any investment recommendation. FOP and its associated persons are required to conduct their securities and investment advisory business in accordance with all applicable Federal and State securities regulations.

Prohibition on Use of Insider Information

FOP has adopted policies and procedures to prevent the misuse of "insider" information (i.e. material non-public information). A copy of such policies and procedures is available to any person upon request.

Item 12 - BROKERAGE PRACTICES

- A. FOP does not maintain custody of clients' assets, although FOP may be deemed to have custody of clients' assets if a client gives us authority to withdraw our advisory fee directly from their managed account. Client assets must be maintained in an account at a qualified custodian. Generally, a qualified custodian is a broker/dealer or bank. As previously stated, certain Advisory Representatives are registered representatives of a broker/dealer. As a result, they are subject to FINRA Conduct Rule 3040 which may restrict them from conducting securities transactions away from their broker/dealer unless the broker/dealer provides them with written authorization.

Not all investment advisers require a client to maintain accounts at a specific broker/dealer. The client may maintain accounts at another broker/dealer. However, the services provided by FOP may be limited to only advice and will not include implementation if the Advisory Representative does not have authorization to implement transactions through a broker/dealer a client has selected. Furthermore, if the client selects another brokerage firm for custodial and/or brokerage services, the client will not be able to receive asset management services from FOP.

There is an incentive for FOP and the Advisory Representatives to recommend a broker/dealer over another based on the products and services that will be received rather than clients' best interest. Therefore, clients may pay commissions higher than those charged by other broker/dealers in return for the products and services received by FOP and/or its Advisory Representatives. The products and services FOP and its Advisory Representatives receive from the broker/dealer or account custodian will be used to benefit all clients including those clients who elect to maintain their accounts elsewhere.

American Portfolios Financial Services, Inc.

APFS has a wide range of approved securities products for which APFS performs due diligence prior to selection. APFS's registered representatives are required to adhere to these products when implementing securities transactions through APFS. Commissions charged for these products may be higher or lower than commissions the client may be able to obtain if transactions were implemented through another broker/dealer. APFS also provides Advisory Representatives with back-office operational, technology, and other administrative support. Other services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing. Such services are intended to help Advisory Representatives manage and further develop its business enterprise.

APFS also makes available to the Advisory Representative other products and services that benefit FOP but may not directly benefit the client. Some of these other products and services assist FOP with managing and administering client accounts. These include software and other technology that provide access to client account data (such as trade confirmation and account statements); facilitate trade execution; provide research, pricing information and other market data; facilitate payment of FOP's fees from client accounts; and assist with back-office

functions; recordkeeping and client reporting. Many of these services generally may be used to service all or a substantial number of FOP 's accounts, including accounts not held through APFS.

- B. Advisory Representatives may aggregate (“bunch”) transactions in the same security on behalf of more than one client in an effort to strive for best execution and to possibly reduce the price per share and/or other costs to clients. However, aggregated or bunched orders will not reduce the transaction costs to participating clients. Advisory Representatives conduct aggregated transactions in a manner designed to ensure that no participating client is favored over another client. Participating clients will obtain the average price per share for the security executed that day. To the extent the aggregated order is not filled in its entirety and when possible, securities purchased or sold in an aggregated transaction will be allocated on a random basis. Under certain circumstances, the amount of securities may be increased or decreased to avoid holding odd-lot or a small number of shares for particular clients.

Item 13 - REVIEW OF ACCOUNTS

- A. A client participating in the Asset Management Services and Programs will be invited to participate in at least an annual review or as agreed by the client and the Advisory Representative. The client may request more frequent reviews and may set thresholds for triggering events that would cause a review to take place. The Advisory Representative will monitor for changes or shifts in the economy, changes to the management and structure of the security in which assets are invested, and market shifts and corrections.

Family Office Advisory clients will receive reviews at a frequency as agreed to between the Advisory Representative and the client.

If the client is participating in Financial Planning Services the client will not receive regular reviews unless otherwise agreed to between the client and the Advisory Representative. FOP recommends the client have at least an annual review and update to any plans. However, the time and frequency of the reviews is solely the client’s decision. Additionally, the client will be charged review fees based on the fee schedule disclosed under the program. Other than the initial plan or analysis, there will be no other reports issued.

Reviews are conducted by the client’s Advisory Representative.

- B. The client is advised that they must notify their Advisory Representative promptly of any changes to their financial goals, objectives or financial situation as such changes may require him review the portfolio allocation and make recommendations for changes.
- C. The client will be provided statements at least quarterly direct from the account custodian. If the client does not receive quarterly custodial reports, it is important the client contact the FOP’s Compliance Department immediately and/or the account custodian. Additionally, the client will receive confirmations of all transactions occurring direct from the account custodian. The Advisory Representative may agree to provide the client with a consolidated report of the managed account. The client should compare the report with statements received direct from

the account custodian. Should there be any discrepancy the account custodian's report will prevail.

Item 14 - CLIENT REFERRALS AND OTHER COMPENSATION

- A. Product vendors recommended by an Advisory Representative may provide monetary and non-monetary assistance with client events, provide educational tools and resources. The Advisory Representative does not select products as a result of any monetary or non-monetary assistance. The selection of product is first and foremost.

IARs are generally independent contractors. As such, the IARs have a direct incentive in the advisory fees being charged since a portion of the advisory fee collected by FOP will be paid to the IAR for compensation for advisory services. Further, clients are advised the amount paid by FOP to the IAR will be based on the production of the IAR. Therefore, the higher sales the IAR produces the more compensation the IAR will receive. Consequently, since production is a basis for determining the IAR's pay-out, and since a portion of the advisory fees will be retained by FOP, there is a conflict of interest for the IAR to potentially charge a higher fee.

- B. FOP may enter into arrangements with individual and entities ("Solicitor") whereby the Solicitor will refer clients who may be a candidate for investment advisory services to FOP. In return, FOP will agree to compensate the Solicitor for the referral. Compensation to the Solicitor is dependent on the client entering into an advisory agreement with FOP for advisory services. Compensation to Solicitor will be an agreed upon percentage of Adviser's advisory fee. Adviser's referral program is in compliance with the federal regulations as set out in 17 CFR Section 275.206(4)-3. The solicitation/referral fee is paid pursuant to a written agreement retained by both FOP and the Solicitor. Clients will be provided with a copy of FOP's Solicitor Disclosure prior to or at the time of entering into any investment advisory contract with FOP. Solicitor is not permitted to offer clients any investment advice on behalf of FOP. Clients' advisory fee will not be increased as a result of compensation being shared with Solicitor.

Item 15 - CUSTODY

With the exception of deduction of FOP's advisory fees from the client's accounts, FOP does not take custody of client funds or securities. Clients will receive account statements direct from the broker/dealer or account custodian reflecting the deduction of FOP's advisory fee. Clients should carefully review statements received from the broker/dealer or account custodian. Further, clients should compare any written report received from FOP with statements received direct from the broker/dealer or account custodian. Should there be any discrepancy the account custodian's report will prevail. As stated under Item 13 above, if the client does not receive quarterly statements direct from the account custodian, please contact FOP's Compliance Department and/or the account custodian.

Under government regulations, we are deemed to have custody of client assets if, for example, the client authorizes us to instruct the account custodian to deduct FOP's advisory fees directly from the

client's account or if the client grants us authority to move money to another person's account. The account custodian maintains actual custody of client assets. The client will receive account statements directly from the account custodian at least quarterly. Statements will be sent to the email or postal mailing address provided by the client. The client should carefully review those statements promptly when received.

Item 16 - INVESTMENT DISCRETION

The client may grant the FOP Advisory Representative authorization to manage their account on a discretionary basis. Discretionary authority will give FOP and the Advisory Representative the authority to buy, sell, exchange and convert securities in the managed accounts, hire and fire third party managers and allocate a portion of the portfolio to a third-party manager, and change management styles or model allocations. The client will grant such authority to FOP and the Advisory Representative by execution of the Asset Management agreement. The client may terminate discretionary authorization at any time upon receipt of written notice by FOP.

Discretionary authority will be limited to FOP and the Advisory Representative having the authority to determine the securities to be bought or sold for a client's account, the amount of securities to be bought or sold for a client's account, the third-party manager, and the management style, strategy, or allocation.

Additionally, the client is advised that:

- 1) The client may set parameters with respect to when account should be rebalanced and set trading restrictions or limitations;
- 2) A client's written consent is required to establish any mutual fund, variable annuity, or brokerage account;
- 3) With the exception of deduction of FOP's advisory fees from the account, if the client has authorized automatic deductions, FOP will not have the ability to withdraw funds or securities from the account.

Item 17 - VOTING CLIENT SECURITIES

FOP does not vote clients' securities. Unless the client suppresses proxies, securities proxies will be sent directly to the client by the account custodian or transfer agent. The client may contact FOP about questions and obtain opinions on how to vote the proxies. However, the voting and how a client votes the proxies is solely the client's decision.

Item 18 - FINANCIAL INFORMATION

- A. FOP will not require the client to prepay more than \$1,200 and six or more months in advance of receiving the advisory service.
- B. As stated above, FOP has discretionary authority over client accounts; however, that authority does not extend to the withdrawal of any client assets, with the exception of deduction of FOP's

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advisory fees from clients' accounts. We are financially stable. There is no financial condition that is likely to impair our ability to meet our contract actual commitment to the client or any other client.

- C. Neither FOP nor any of its Advisory Representatives has ever been the subject of a bankruptcy petition.