



Bonfire Financial, LLC

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Part 2A Brochure

This brochure provides information about the qualifications and business practices of Bonfire Financial, LLC ("Bonfire Financial"). If you have any questions about the contents of this brochure, please contact us at 719-510-6959. 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. Bonfire Financial is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Additional information about Bonfire Financial, LLC is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a IARD number. The IARD number for Bonfire Financial, LLC is 288522.

ITEM 2 – MATERIAL CHANGES

Summary of Material Changes

This section of the Brochure will address only those “material changes” that have been incorporated since our last delivery or posting of this document on the SEC’s public disclosure website (IAPD) www.adviserinfo.sec.gov.

This is our initial 2A Brochure filing.

If you would like another copy of this Brochure, please download it from the SEC Website as indicated above or you may contact our Chief Compliance Officer, Brian Colvert at 719-626-4200 or Brian@bonfirefinancial.com.

We encourage you to read this document in its entirety.

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ITEM 4 – ADVISORY BUSINESS

This Disclosure document is being offered to you by Bonfire Financial, LLC (“Bonfire Financial”) about the investment advisory services we provide. It discloses information about the services that we provide and the way those services are made available to you, the client.

We are an investment management firm located in Colorado. We specialize in investment advisory services for individuals, high-net-worth individuals, small business owners, pensions, trusts and retirement plans. The firm was established by Brian Colvert in 2017.

We are committed to helping clients build, manage, and preserve their wealth, and to provide assistance that helps clients to achieve their stated financial goals. We will offer an initial complimentary meeting upon our discretion; however, investment advisory services are initiated only after you and Bonfire Financial execute an engagement letter or client agreement.

Investment and Wealth Management and Supervision Services

We offer discretionary investment management and investment supervisory services for a fee based on a percentage of your assets under management or on a dollar flat fee. These services include investment analysis, allocation of investments, quarterly portfolio reports, financial commentaries, and ongoing monitoring of client portfolios. We primarily allocate client assets among various mutual funds, exchange-traded funds (“ETFs”), and individual debt (bonds) and equity securities in accordance with their stated investment objectives.

We will work with you to obtain necessary information regarding your financial condition, investment objectives, liquidity requirements, risk tolerance, time horizons, and any restrictions on investing. This information enables us to determine the portfolio best suited for your investment objective and needs.

In performing our services, we shall not be required to verify any information received from you or from other professionals. If you request, we will recommend you engage the services of other professionals for implementation purposes. You have the right to decide whether or not to engage the services of any such recommended professional.

Once we have determined the types of investments to be included in your portfolio and allocated them, we will provide ongoing portfolio review and management services. This approach requires us to review your portfolio at least quarterly.

We will rebalance the portfolio, as we deem appropriate, to meet your financial objectives. We trade these portfolios and rebalance them based on the combination of our market views and your objectives, using our investment process. We tailor our advisory services to meet the needs of our clients and seek to ensure that your portfolio is managed in a manner consistent with those needs and objectives. You will have the ability to leave standing instructions with us to refrain from investing in particular industries or invest in limited amounts of securities.

In all cases, you have a direct and beneficial interest in your securities, rather than an undivided interest in a pool of securities. We do have limited authority to direct the Custodian to deduct our investment advisory fees from your accounts, but only with the appropriate written authorization from you.

Where appropriate, we provide advice about any type of legacy position or other investment held in client portfolios. Clients will engage us to advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance and annuity contracts and assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans).

You are advised and are expected to understand that our past performance is not a guarantee of future results. Certain market and economic risks may exist that adversely affect an account's performance. This could result in capital losses in your account.

Financial Planning

Through our Financial Planning process, we strive to engage our clients in conversations around the family's goals, objectives, priorities, vision, and legacy – both for the near term as well as for future generations. With the unique goals and circumstances of each family in mind, we offer financial planning ideas and strategies to address the client's holistic financial picture, including estate, income tax, charitable, cash flow, wealth transfer and family legacy objectives. Our team partners with our client's other advisors (CPA, Estate Attorney, Insurance broker, etc.) to ensure a coordinated effort of all parties toward the client's stated goals. Such services include various reports on specific goals and objectives or general investment and/or planning recommendations, guidance to outside assets and periodic updates.

Our specific services in preparing your plan include:

- Review and clarification of your financial goals.
- Assessment of your overall financial position including cash flow, balance sheet, investment strategy, risk management and estate planning.

- Creation of a unique plan for each goal you have including personal and business real estate, education, retirement or financial independence, charitable giving, estate planning, business succession and other personal goals.
- Development of a goal-oriented investment plan, with input from various advisors to our clients around tax suggestions, asset allocation, expenses, risk and liquidity factors for each goal. This includes IRA and qualified plans, taxable and trust accounts that require special attention.
- Design of a risk management plan including risk tolerance, risk avoidance, mitigation and transfer, including liquidity as well as various insurance and possible company benefits.
- Crafting and implementation of, in conjunction with your estate and/or corporate attorneys as tax advisor, an estate plan to provide for you and/or your heirs in the event of an incapacity or death.

A written evaluation of each client's initial situation or Financial Plan is provided to the client. An annual review will be provided by the Adviser, if indicated by the Client and Advisor per the Financial Planning Agreement. More frequent reviews occur but are not necessarily communicated to the client unless immediate changes are recommended.

Retirement Plan Advisory Services

Retirement Plan Advisory Services consists of helping employer plan sponsors to establish, monitor and review their company's retirement plan. As the needs of the plan sponsor dictate, areas of advising could include: investment selection and monitoring, plan structure, and participant education.

We offer management of 401(k), 457, and 403(b) accounts both on a plan level and on the individual participant level. On the plan level, we manage the investment line-up making changes as necessary as well as providing risk based investment models for the participants. On the individual participant level, we manage risk based models using the current investment lineup based on risk tolerance of the individual investor.

Plan Level

We will establish the plan's needs and objectives through an initial meeting to collect data, review plan information, and assist in developing or updating the plan's provisions. Ongoing services may include recommendations regarding the selection and review of unaffiliated mutual funds that, in the Bonfire Financial's judgment, are suitable for plan assets to be invested. We periodically review the investment options selected and make recommendations to keep or replace plans investment options as appropriate. We

perform a comprehensive review of Investment options and will assist with converting from incumbent service providers to a new service provider if appropriate.

We will provide quarterly recommendations for the plan's investment allocation. Upon receipt we will review the investment options and provide positions for accounts in accordance with the management style chosen by the client. Analysis is provided for each fund held by the Plan. A report shows historical performance, asset allocation, and the performance of each fund, including its performance in comparison to its appropriate benchmark. The report also contains information regarding each Fund's managers, capitalization, investment style, expenses, portfolio composition and other qualitative factors relevant to the Fund's performance and adherence to the Plan's Investment Policy Statement. Clients are responsible for making the fund changes within the account.

Participant Level

We can also be engaged to provide financial education to plan participants. The scope of education provided to participants will not constitute "investment advice" within the meaning of ERISA and participant education will relate to general principles for investing and information about the investment options currently in the plan. We may also participate in initial enrollment meetings and periodic workshops and enrollment meetings for new participants. We may meet with plan participants on a regular basis (quarterly, semi-annually or annually) as agreed upon at the Client's discretion to discuss the reports and investment recommendations.

Consulting Services

We also provide clients investment advice on a more-limited basis on one-or-more isolated areas of concern such as estate planning, real estate, retirement planning, or any other specific topic. Additionally, we provide advice on non-securities matters about the rendering of estate planning, insurance, real estate, and/or annuity advice or any other business advisory / consulting services for equity or debt investments in privately held businesses.

Wrap Fee Programs

We do not place Client assets into a wrap fee program.

Assets

Because this is our initial filing of the Part 2A Brochure, we have no under discretionary management. We do not have any non-discretionary assets under management.

ITEM 5 - FEES AND COMPENSATION

Investment Management Fees and Compensation

Bonfire Financial charges a fee as compensation for providing Investment Management services on your account. These services include advisory and consulting services, trade entry, investment supervision, and other account-maintenance activities. Our custodian charges may include transaction costs, custodial fees, redemption fees, retirement plan and administrative fees or commissions. See Additional Fees and Expenses below for additional details.

The fees for portfolio management are based on an annual percentage of assets under management and are applied to the account asset value on a pro-rata basis and billed monthly in advance. The initial fee will be based upon the daily average from date the account is accepted for management by execution of the advisory agreement by Conexus Capital or when the assets are transferred through the last day of the current month. Thereafter, the monthly fee will be calculated on an average daily balance. The market value will be determined as reported by the Custodian. Fees are assessed on all assets under management, including securities, cash and money market balances.

Our maximum investment advisory fee is 1.20% or we may negotiate a fixed fee. The specific advisory fees are set forth in your Investment Advisory Agreement. Fees may vary based on the size of the account, complexity of the portfolio, extent of activity in the account or other reasons agreed upon by us and you as the client. Additional deposits and withdrawals will be added or subtracted from portfolio assets, as the case may be, which may lead to an adjustment of the account fee. In certain circumstances, our fees and the timing of the fee payments may be negotiated. Our employees and their family related accounts are charged a reduced fee for our services.

Unless instructed by the client, we will aggregate asset amounts in accounts from your same household together to determine the advisory fee for all your accounts. We would do this, for example, where we also service accounts on behalf of your minor children, individual and joint accounts for a spouse, and/or other types of related accounts. This consolidation practice is designed to allow you the benefit of an increased asset total, which could potentially cause your account(s) to be assessed a lower advisory fee.

The independent qualified custodian holding your funds and securities will debit your account directly for the advisory fee and pay that fee to us. You will provide written authorization permitting the fees to be paid directly from your account held by the qualified custodian. Further, the qualified custodian agrees to deliver an account statement at least quarterly directly to you indicating all the amounts deducted from the

account including our advisory fees. At our discretion, you may pay the advisory fees by check. You are encouraged to review your account statements for accuracy.

Either Bonfire Financial or you may terminate the management agreement immediately upon written notice to the other party. The management fee will be pro-rated to the date of termination, for the month in which the cancellation notice was given and refunded to you. Upon termination, you are responsible for monitoring the securities in your account, and we will have no further obligation to act or advise with respect to those assets. In the event of client's death or disability, Bonfire Financials will continue management of the account until we are notified of client's death or disability and given alternative instructions by an authorized party.

Financial Planning Fees

Bonfire Financial will negotiate the planning fees with you. Fees may vary based on the extent and complexity of your individual or family circumstances and the amount of your assets under our management. We will determine your fee for the designated financial advisory services based on a fixed fee arrangement described below.

Under our fixed fee arrangement, any fee will be agreed in advance of services being performed. The fee will be determined based on factors including the complexity of your financial situation, agreed upon deliverables, and whether or not you intend to implement any recommendations through Bonfire Financial. Fixed fees for financial plans range from \$1,000 to \$10,000.

Typically, we complete a plan within a month and will present it to you within 90 days of the contract date, provided that you have provided us all information needed to prepare the financial plan. Fees are billed sixty percent (60%) of the estimated fee will be due and payable at the time you enter into the financial planning agreement, with the balance due and payable at the time the financial plan is delivered. You may terminate the financial planning agreement by providing us with written notice. Upon termination, fees will be prorated to the date of termination and any unearned portion of the fee will be refunded to you based on an hourly rate of \$250.00. Services provided up to date of termination but not yet paid to Bonfire Financial will be billed to you based on the hourly rate of \$250.00. We will not require prepayment of more than \$1,200 in fees per client, six (6) or more months in advance of providing any services.

In no case are our fees based on, or related to, the performance of your funds or investments.

When both investment management or plan implementation and financial planning services are offered, there is a conflict of interest since there is an incentive for us offering

financial planning services to recommend products or services for which Bonfire Financial receives compensation. However, Bonfire Financial will make all recommendations independent of such considerations and based solely on our obligations to consider your objectives and needs. As a financial-planning client, you have the right not to act upon any of our recommendations and not affect the transaction(s) through us if you decide to follow the recommendations.

Retirement Plan Advisory Services

For Retirement Plan Advisory Services compensation, we charge an annual fee as negotiated with the client and disclosed in the Investment Advisory Agreement. The compensation method is explained and agreed upon in advance before any services are rendered. Fees are .50% of assets under management.

Plan advisory services begin with the effective date of the Agreement, which is the date you sign the Investment Advisory Agreement. For that calendar quarter, fees will be adjusted pro rata based upon the number of calendar days in the calendar quarter that the Agreement was effective. Our fee is billed in arrears on the last business day of the calendar quarter. Invoices are sent out each quarter to either the client or the custodian of the Plan. For Plans where our fee is billed to the custodian, the fee is deducted directly from the participant accounts. Written authorization permitting us to be paid directly from the custodial account is outlined in the Investment Advisory Agreement.

Either party may terminate the Agreement at any time upon 30 days written notice. You are responsible to pay for services rendered until the termination of the agreement.

Consulting

Bonfire Financial provides consulting services for clients who need advice on a limited scope of work. Bonfire Financial will negotiate consulting fees with you. Fees may vary based on the extent and complexity of the consulting project. Fees will be billed as services are rendered. Either party may terminate the agreement. Upon termination, fees will be prorated to the date of termination and any unearned portion of the fee will be refunded to you as described above.

Administrative Services Provided by ORION Advisor Services, LLC

We have contracted with ORION Advisor Services, LLC (referred to as "ORION") to utilize its technology platforms to support data reconciliation, performance reporting, fee calculation and billing, research, client database maintenance, quarterly performance evaluations, payable reports, web site administration, models, trading platforms, and other functions related to the administrative tasks of managing client accounts. Due to this arrangement, ORION will have access to client accounts, but ORION will not serve as

an investment advisor to our clients. Bonfire Financial and ORION are non-affiliated companies. ORION charges our Firm an annual fee for each account administered by ORION. Please note that the fee charged to the client will not increase due to the annual fee Bonfire Financial pays to ORION, the annual fee is paid from the portion of the management fee retained by Bonfire Financial.

Additional Fees and Expenses:

In addition to the advisory fees paid to Bonfire Financial, clients may also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions (collectively "Financial Institutions"). These additional charges may include securities brokerage commissions, transaction fees, custodial fees, fees charged by the Independent Managers, margin costs, charges imposed directly by a mutual fund or ETF in a client's account, as disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Bonfire Financial's brokerage practices are described at length in Item 12, below.

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

We do not charge advisory fees on a share of the capital appreciation of the funds or securities in a client account (so-called performance-based fees) nor engage in side by side management.

ITEM 7 - TYPES OF CLIENTS

We provide investment advice to individuals, high-net-worth individuals, small business owners, pensions, trusts and retirement plans. We do not have a minimum initial account value.

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

Investment Strategies, Philosophy, and Methodology

Asset Allocation:

A strategy that uses multiple asset classes in an attempt to match an investor's risk tolerance, time horizon, and goals. Asset classes have a different assumed risk and return over time. The main assets class being equities, bonds, and cash or cash alternatives.

Fundamental:

A method of evaluation a security or any investment in an attempt to measure the intrinsic value. By examining the factors at a macro and micro level that relate to the security. Looking at the overall economy, industry, management of the company, cash flows, etc. the hope is that we can determine what position to take in the security.

Investment Strategies:

Long-term purchases: Investments held longer than one year

Short-term purchases: Investments held shorter than one year

Risk of Loss

Clients must understand that past performance is not indicative of future results. Therefore, current and prospective clients should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities involves risk of loss. Further, depending on the different types of investments there will be varying degrees of risk. Clients and prospective clients should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, Bonfire Financial is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines.

Investors should be aware that accounts are subject to the following risks:

Market Risk — Even a long-term investment approach cannot guarantee a profit. Economic, political and issuer-specific events will cause the value of securities to rise or fall. Because the value of investment portfolios will fluctuate, there is the risk that you will lose money and your investment may be worth more or less upon liquidation.

Foreign Securities and Currency Risk — Investments in international and emerging-market securities include exposure to risks such as currency fluctuations, foreign taxes and regulations, and the potential for illiquid markets and political instability.

Capitalization Risk — Small-cap and mid-cap companies may be hindered as a result of limited resources or less diverse products or services, and their stocks have historically been more volatile than the stocks of larger, more established companies.

Interest Rate Risk — In a rising rate environment, the value of fixed-income securities generally declines and the value of equity securities may be adversely affected.

Credit Risk — Credit risk is the risk that the issuer of a security may be unable to make interest payments and/or repay principal when due. A downgrade to an issuer's credit rating or a perceived change in an issuer's financial strength may affect a security's value and, thus, impact the fund's performance.

Derivative Risk — Derivatives are securities, such as futures contracts, whose value is derived from that of other securities or indices. Derivatives can be used for hedging (attempting to reduce risk by offsetting one investment position with another) or non-hedging purposes. Hedging with derivatives may increase expenses, and there is no guarantee that a hedging strategy will achieve the desired results.

Exchange-Traded Funds — ETFs face market-trading risks, including the potential lack of an active market for shares, losses from trading in the secondary markets and disruption in the creation/redemption process of the ETF. Any of these factors may lead to the fund's shares trading at either a premium or a discount to its "net asset value."

Performance of Underlying Managers — We select the mutual funds and ETFs in the asset allocation models. However, we depend on the manager of such funds to select individual investments in accordance with their stated investment strategy.

ITEM 9 - DISCIPLINARY INFORMATION

Bonfire Financial does not have any legal, financial or other "disciplinary" item to report.

ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Other Business Activities

Insurance

IARs of Bonfire Financial may act as agents appointed with various life, disability or other insurance companies, receive commissions, trails, or other compensation from the respective product sponsors and/or as a result of effecting insurance transactions for clients. However, clients should note that they have the right to decide whether to

act on the recommendation and the right to purchase any insurance products through Bonfire Financial or its IAR or any licensed insurance agent not affiliated with Bonfire Financial. This creates a conflict of interest. We recognize the fiduciary responsibility to place your interests first and have established policies in this regard to avoid any conflicts of interest.

**ITEM 11 - CODE OF ETHICS PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS
AND PERSONAL TRADING**

Bonfire Financial and persons associated with us are allowed to invest for their own accounts or to invest in the same securities or other investments that we recommend or acquire for your account, and may engage in transactions that are the same as or different than transactions recommended to or made for your account. This creates a conflict of interest. We recognize the fiduciary responsibility to place your interests first and have established policies in this regard to avoid any conflicts of interest.

We have developed and implemented a Code of Ethics that sets forth standards of conduct expected of our advisory personnel to mitigate this conflict of interest. The Code of Ethics addresses, among other things, personal trading, gifts, the prohibition against the use of inside information and other situations where there is a possibility for conflicts of interest.

The Code of Ethics is designed to protect our clients to detect and deter misconduct, educate personnel regarding the firm's expectations and laws governing their conduct, remind personnel that they are in a position of trust and must act with complete propriety at all times, protect the reputation of Bonfire Financial, guard against violation of the securities laws, and establish procedures for personnel to follow so that we may determine whether their personnel are complying with the firm's ethical principles.

We have established the following restrictions to ensure our firm's fiduciary responsibilities:

1. A director, officer or employee of Bonfire Financial shall not buy or sell any securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No director, officer or employee of Bonfire Financial shall prefer his or her own interest to that of the advisory client.

2. We maintain a list of all securities holdings of anyone associated with this advisory practice with access to advisory recommendations. These holdings are reviewed on a regular basis by an appropriate officer/individual of Bonfire Financial.
3. We emphasize the unrestricted right of the client to decline to implement any advice rendered, except in situations where we are granted discretionary authority of the client's account.
4. We emphasize the unrestricted right of the client to select and choose any custodian (except in situations where we are granted discretionary authority) he or she wishes.
5. We require that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
6. Any individual not in observance of the above may be subject to termination.

You may request a complete copy of our Code by contacting us at the address, telephone or email on the cover page of this Part 2; Attn: Chief Compliance Officer.

ITEM 12 - BROKERAGE PRACTICES

The Custodian and Brokers We Use

Investment Management Services

Clients must maintain assets in an account at a "qualified custodian," generally a broker-dealer or bank. We recommend that our clients use Charles Schwab & Co., Inc. Advisor Services ("Schwab"), a registered broker-dealer, member SIPC, as the qualified custodian. We are independently owned and operated, and unaffiliated with Schwab. Schwab will hold client assets in a brokerage account, and buy and sell securities when we instruct them to.

While we recommend that clients use Schwab as custodian/broker, client must decide whether to do so and open accounts with Schwab by entering into account agreements directly with them. The Client opens the accounts with Schwab. The accounts will always be held in the name of the client and never in Bonfire Financial's name. Even though clients maintain accounts at Schwab, we can still use other brokers to execute trades for client accounts (see Client Brokerage and Custody Costs, below).

BonfireHow We Select Brokers/Custodians

We seek to recommend a custodian/broker who will hold client assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others:

1. Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
2. Capability to execute, clear, and settle trades (buy and sell securities for client accounts)
3. Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
4. Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds [ETFs], etc.)
5. Availability of investment research and tools that assist us in making investment decisions
6. Quality of services
7. Competitiveness of the price of those services (commission rates, other fees, etc.) and willingness to negotiate the prices
8. Reputation, financial strength, and stability
9. Prior service to Bonfire Financial and our other clients
10. Availability of other products and services that benefit us, as discussed below (see Products and Services Available to Us from Schwab)

Client Brokerage and Custody Costs

For our clients' accounts that Schwab maintains, Schwab generally does not charge separately for custody services. However, Schwab receives compensation by charging ticket charges or other fees on trades that it executes or that settle into clients' Schwab accounts. In addition to commissions, Schwab charges a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different custodian but where the securities bought or the funds from the securities sold are deposited (settled) into a client's Schwab account. These fees are in addition to the ticket charges or other compensation the client pays the executing custodian. Because of this, in order to minimize trading costs, we have Schwab execute most trades for client accounts. We have determined that having Schwab execute most trades is consistent with our duty to seek "best execution" of client trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see How We Select Brokers/Custodians).

Products and Services Available to Us from Schwab

Schwab Advisor Services™ (formerly called Schwab Institutional®) is Schwab's business serving independent investment advisory firms like us. They provide Bonfire Financial and

our clients with access to its institutional brokerage, trading, custody, reporting, and related services, many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts; others help us manage and grow our business. Schwab's support services generally are available on an unsolicited basis (we do not have to request them) and at no charge to us. These are considered soft dollar benefits because there is an incentive to do business with Schwab. This creates a conflict of interest. We recognize the fiduciary responsibility to place your interests first and have established policies in this regard to mitigate any conflicts of interest.

Following is a more detailed description of Schwab's support services:

Services That Benefit Our Clients

Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit our clients and their accounts.

Services That May Not Directly Benefit Our Clients

Schwab also makes available to us other products and services that benefit us but may not directly benefit our clients or their accounts. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

1. Provide access to client account data (such as duplicate trade confirmations and account statements)
2. Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
3. Provide pricing and other market data
4. Facilitate payment of our fees from our clients' accounts
5. Assist with back-office functions, recordkeeping, and client reporting

Services That Generally Benefit Only Us

Schwab also offers other services intended to help us manage and further develop our business enterprise.

These services include:

1. Educational conferences and events
2. Consulting on technology, compliance, legal, and business needs

3. Publications and conferences on practice management and business succession
4. Access to employee benefits providers, human capital consultants, and insurance providers

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits, such as occasional business entertainment of our personnel.

Our Interest in Schwab's Services

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. These services are not contingent upon us committing any specific amount of business to Schwab in trading commissions. We believe that our selection of Schwab as custodian and broker is in the best interests of our clients.

Some of the products, services and other benefits provided by Schwab benefit Bonfire Financial and may not benefit our client accounts. Our recommendation or requirement that you place assets in Schwab's custody may be based in part on benefits Schwab provides to us, or our agreement to maintain certain Assets Under Management at Schwab, and not solely on the nature, cost or quality of custody and execution services provided by Schwab.

We place trades for our clients' accounts subject to its duty to seek best execution and its other fiduciary duties. We may use custodians other than Schwab to execute trades for your accounts maintained at Schwab, but this practice may result in additional costs to clients so that we are more likely to place trades through Schwab rather than other custodians. Schwab's execution quality may be different than other custodians.

Brokerage for Client Referrals

Bonfire Financial does not receive client referrals from any custodian or third party in exchange for using that custodian or third party.

Aggregation and Allocation of Transactions

Bonfire Financial may aggregate transactions if we believe that aggregation is consistent with the duty to seek best execution for our clients and is consistent with the disclosures made to clients and terms defined in the client investment advisory agreement. No advisory client will be favored over any other client, and each account that participates in an aggregated order will participate at the average share price (per custodian) for all transactions in that security on a given business day. Bonfire Financial aggregates trades of our personnel with those of client accounts.

If we do not receive a complete fill for an aggregated order, we will allocate the order on a pro-rata basis. If we determine that a pro-rata allocation is not appropriate under the particular circumstances, we will base the allocation on other relevant factors, which may include:

1. When only a small percentage of the order is executed, with respect to purchase allocations, allocations may be given to accounts high in cash;
2. With respect to sale allocations, allocations may be given to accounts low in cash;
3. We may allocate shares to the account with the smallest order, or to the smallest position, or to an account that is out of line with respect to security or sector weightings, relative to other portfolios with similar mandates;
4. We may allocate to one account when that account has limitations in its investment guidelines prohibiting it from purchasing other securities that we expect to produce similar investment results and that can be purchased by other accounts in the block;
5. If an account reaches an investment guideline limit and cannot participate in an allocation, we may reallocate shares to other accounts. For example, this may be due to unforeseen changes in an account's assets after an order is placed;
6. If a pro-rata allocation of a potential execution would result in a de minimis allocation in one or more accounts, we may exclude the account(s) from the allocation and disgorge any profits. Generally, de minimis allocations do not exceed 5% of the total allocation. Additionally, we may execute the transactions on a pro-rata basis.
7. We will document the reasons for any deviation from a pro-rata allocation.

Trade Errors

We have implemented procedures designed to prevent trade errors; however, trade errors in client accounts cannot always be avoided. Consistent with our fiduciary duty, it is our policy to correct trade errors in a manner that is in the best interest of the client. In cases where the client causes the trade error, the client will be responsible for any loss resulting from the correction. Depending on the specific circumstances of the trade error, the client may not be able to receive any gains generated as a result of the error correction. In all situations where the client does not cause the trade error, the client will be made whole and we will absorb any loss resulting from the trade error if the error was caused by the firm. If the error is caused by the custodian, the custodian will be responsible for covering all trade error costs. If an investment gain results from the correcting trade, the gain will be donated to charity. We will never benefit or profit from trade errors.

We do not routinely recommend, request or require that you direct us to execute transaction through a specified custodian. Additionally, we typically do not permit you to

direct brokerage. We place trades for your account subject to our duty to seek best execution and other fiduciary duties. As a matter of policy and practice, we do not utilize research, research-related products and other services obtained from broker-dealers or third parties, on a soft dollar basis.

ITEM 13 - REVIEW OF ACCOUNTS

Account Reviews and Reviewers – Investment Supervisory Services

The underlying securities within the investment supervisory services are monitored on at least a monthly basis. These reviews will be made by the firm's investment advisor representatives. An annual review with the client is usually conducted in person or by telephone.

The purpose of all these reviews is to ensure that the investment plan continues to be implemented in a manner which matches your objectives and risk tolerances. More-frequent reviews may be triggered by material changes in variables such as your individual circumstances, or the market, political or economic environment. You are urged to notify us of any changes in your personal circumstances.

Statements and Reports

Through an agreement with Orion, Bonfire Financial will have the ability to provide clients with Performance/Position summary reports upon request. Reports may also be provided at every client meeting. Communication to clients will be done on an as needed basis with a minimum of 1 contact per calendar quarter.

The custodian for the individual client's account will also provide clients with an account statement at least quarterly. You are urged to compare the reports provided by Bonfire Financial against the account statements you receive directly from your account custodian.

Financial Planning/Consulting clients (i.e. those who have no assets under management with us in our advisory program) will receive no regular reports from the Firm.

ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION

Bonfire Financial in its capacity as an investment adviser and pursuant to the Investment Advisers Act of 1940 and similar State rules and statutes, and the rules and regulations there under, as amended ("Advisers Act"), may engage solicitors ("Solicitors"), as that term is defined under the Advisers Act, for the sole purpose of permitting Solicitors to solicit investment advisory clients on Bonfire Financial's behalf. The Solicitors will be unaffiliated with Bonfire Financial, and will not be "supervised persons" of Bonfire

Financial. Solicitors will be held to Bonfire Financial's and all applicable legal standards at all times, and will be subject to review by Bonfire Financial on an ongoing basis with respect to their solicitation activities on behalf of Bonfire Financial.

In the event a client is introduced to Bonfire Financial by an unaffiliated solicitor, the Firm may pay that solicitor a referral fee in accordance with the Advisers Act. Unless otherwise disclosed, any such referral fee is paid solely from Bonfire Financial's investment management fee and does not result in any additional charge to the client. If the client is introduced to the Firm, the solicitor is required to provide the client with Bonfire Financial's written brochure(s) and a copy of a solicitor's disclosure statement containing the terms and conditions of the solicitation arrangement.

Bonfire Financial does not receive compensation for referrals.

ITEM 15 - CUSTODY

Custody, as it applies to investment advisors, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment advisor has the ability to access or control client funds or securities, the investment advisor is deemed to have custody and must ensure proper procedures are implemented.

Bonfire Financial is deemed to have custody of client funds and securities whenever Bonfire Financial is given the authority to have fees deducted directly from client accounts. However, this is the only form of custody Bonfire Financial will ever maintain. It should be noted that authorization to trade in client accounts is not deemed by regulators to be custody.

For accounts in which Bonfire Financial has the authority to have fees deducted directly from client accounts, the firm has established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. Clients or an independent representative of the client will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian's name, address and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least quarterly. You should carefully review those statements and are urged to compare the statements against reports received from Bonfire Financial. When you have questions about your account statements, you should contact Bonfire Financial or the qualified custodian preparing the statement.

Clients will provide written authorization permitting the fees to be paid directly from their account held by the qualified custodian. When fees are deducted from an account, Bonfire Financial is responsible for calculating the fee and delivering instructions to the custodian.

ITEM 16 - INVESTMENT DISCRETION

For discretionary accounts, prior to engaging Bonfire Financial to provide investment advisory services, you will enter a written Agreement with us granting the firm the authority to supervise and direct, on an on-going basis, investments in accordance with the client's investment objective and guidelines. In addition, you will need to execute additional documents required by the Custodian to authorize and enable Bonfire Financial, in its sole discretion, without prior consultation with or ratification by you, to purchase, sell or exchange securities in and for your accounts. We are authorized, in our discretion and without prior consultation with you to: (1) buy, sell, exchange and trade any investment company registered under the Investment Company Act of 1940 and (2) determine the amount of securities to be bought or sold and (3) place orders with the custodian. Any limitations to such authority will be communicated by you to us in writing.

The limitations on investment and brokerage discretion held by Bonfire Financial for you are:

1. For discretionary clients, we require that we be provided with authority to determine which securities and the amounts of securities to be bought or sold.
2. Any limitations on this discretionary authority shall be included in this written authority statement. You may change/amend these limitations as required. Such amendments shall be submitted in writing.

Research products and services received by us from custodians will be used to provide services to all our clients.

In some instance, we may not have discretion. We will discuss all transactions with you prior to execution or you will be required to make the trades if in an employer sponsored account.

ITEM 17 - VOTING YOUR SECURITIES

Bonfire Financial will not vote proxies on your behalf. You are welcome to vote proxies or designate an independent third-party at your own discretion. You designate proxy voting authority in the custodial account documents. You must ensure that proxy materials are sent directly to you or your assigned third party. We do not take action with respect to

any securities or other investments that become the subject of any legal proceedings, including bankruptcies. Clients are able to contact our office with questions about a particular proxy solicitation by phone at 719-510-6959.

ITEM 18 - FINANCIAL INFORMATION

This item is not applicable to this brochure. We do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for our most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, we have not been the subject of a bankruptcy petition at any time.