

Part 2A of Form ADV: Firm Brochure
Item 1: Cover Page
March 2020

Financial Partners, LLC
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Santa Fe, NM 87505
CRD # 170002

Firm Contact:
Charles A. Goodman
Chief Compliance Officer

This brochure provides information about the qualifications and business practices of Financial Partners, LLC. If you have any questions about the contents of this brochure, please contact us by telephone at (505) 795-7910 or email charles.goodman@lpl.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 Financial Partners, LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

Please note that the use of the term "registered investment adviser" and description of Financial Partners, LLC and/or our associates as "registered" does not imply a certain level of skill or training. You are encouraged to review this Brochure and Brochure Supplements for our firm's associates who advise you for more information on the qualifications of our firm and our employees.

Item 2: Material Changes

Financial Partners, LLC is required to advise you of any material changes to our Firm Brochure ("Brochure") from our last annual update, identify those changes on the cover page of our Brochure or on the page immediately following the cover page, or in a separate communication accompanying our Brochure.

Since our last annual amendment filed on 01/22/2019, we have the following material changes to disclose:

- LPL Financial launched a trading platform with select exchange traded funds ("ETFs") that do not charge transaction fees. The no-transaction-fee ETF trading platform is available to clients participating in LPL Financial's Strategic Wealth Management ("SWM") and Strategic Asset Management ("SAM") programs. The limited number of ETFs available on the no-transaction fee platform may have higher overall expenses than other types of securities and ETFs not included in the platform. Other major custodians, including TD Ameritrade, have eliminated transaction fees for all ETFs and U.S. listed equities, so clients may pay more for investing in the same securities at LPL Financial.
- We have also increased our hourly rate for our Financial Planning service from \$200 to \$300. Please see Item 5 for additional information.

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Item 4 – Advisory Business

Financial Partners, LLC (“Financial Partners”) is a limited liability company organized under the laws of the State of New Mexico on March 4, 2010 as Santa Fe Investment Group LLC and changed its name to New Mexico Financial Partners, LLC on November 25, 2013. The firm changed its name to Financial Partners, LLC on June 13, 2016. We are 100% owned by Charles A. Goodman. We are registered as an investment adviser with the U.S. Securities and Exchange Commission in order to provide the investment advisory products and services described in this document.

We offer investment advisory services on a discretionary and non-discretionary basis to high net worth individuals, pension and profit sharing plans (other than plan participants), and charitable organizations. This Disclosure Brochure provides you with information regarding our qualifications, business practices, and nature of advisory services that should be considered before becoming our advisory client.

Many of our investment adviser representatives are registered representatives and investment adviser representatives of LPL Financial, a licensed full service securities broker/dealer and investment advisor under federal and state securities laws. LPL Financial is a member of the Financial Industry Regulatory Authority (FINRA) and Securities Investor Protection Corporation (SIPC). Securities transactions for LPL Financial's brokerage clients are executed through LPL Financial.

Below is a description of the investment advisory services that we offer. For more details on any product or service, please reference the advisory agreement, wrap brochure or speak with Charles A. Goodman or your investment adviser representative.

Description of the Types of Advisory Services We Offer

Asset Management Services:

We provide asset allocation and ongoing investment management services. We will work with you to identify your investment goals and objectives, risk tolerance and time horizons in order to create a portfolio allocation that we feel will allow you to achieve your goals while assuming the appropriate level of risk. Your portfolio will be tailored to meet your specific needs. You will have the opportunity to place reasonable restrictions on the investment in certain securities or the types of securities to be held in the portfolio. Your Investment Adviser Representative (IAR) may recommend various types of Asset Management Services to help meet your investment goals.

Strategic Asset Program (SAP):

Financial Partners offers the SAP Wrap Fee Account which is administered through its clearing broker/dealer, LPL Financial, or SAP for IARs not registered with LPL Financial. Our firm does not utilize outside portfolio managers for this Wrap Fee Program. All SAP accounts are managed by Financial Partners' IARs. The Wrap Fee Program is designed to assist you in clarifying your investment needs and obtaining professional asset management for a convenient single "wrap" fee on a limited discretionary basis. Under the Wrap Fee Program, an inclusive fee covers account management, brokerage, clearance, custody and administrative services. We will receive a portion of the WRAP fee for our services.

Strategic Wealth Management (SWM):

This Non-Wrap Fee Program is very similar to SAP but brokerage and clearing fees are paid by you and become part of your cost basis in a purchase and proceeds in the sale of securities. Our firm does not utilize outside portfolio managers for this Non-Wrap Fee Program. All SWM accounts are managed by Financial Partners' IARs.

Financial Planning Services:

We make available a variety of financial planning services. The scope of the services and the fees for these services is pursuant to a written financial planning agreement. Generally, such financial planning services will involve preparing a written financial plan or rendering a financial consultation for clients based on their current situation, financial goals, and objectives.

You will designate which specific service(s) to be provided in the Financial Planning Agreement, which may encompass one or more of the following areas:

1. Personal Financial Planning - the process of determining whether and how a client can meet life goals through the proper management of financial resources by creating a financial plan; a detailed strategy tailored to a client's specific situation to help meet a client's specific goals.
2. Investment Planning - an analysis of appropriate investments, and appropriate adjustments to existing investments, based upon the client's description of their primary investment concerns, needs, goals and objectives. This analysis does not include ongoing management or monitoring of investments or portfolios.
3. Retirement Planning - an analysis of the lump-sum and/or periodic dollar commitment necessary to meet stated financial goals during retirement taking into consideration the client's assets and liabilities, projected social security, pension or other retirement benefits and desired level of income at retirement.
4. Education Planning - the process of preparing for post-secondary education.
5. Risk Management & Insurance Planning - an analysis of the client's insurance needs and coverages, taking into account the client's accumulation goals, assets and liabilities, sources of income, and income needs for the client's beneficiary upon death or disability.
6. Tax Planning - an analysis of the client's tax situation that is based on a general understanding of current tax laws. Analyses are subject to verification by the client's own tax expert.
7. Estate Planning - an analysis of estate settlement costs, which include taxation and administrative costs and an evaluation of estate reduction and tax payment techniques. It involves discussion of gifts, trusts, and estate planning documents. Analyses are subject to verification by the client's own estate planning expert.
8. Miscellaneous Advisory Services - hourly fees may be charged for an annual review of a financial plan or for specific advice regarding implementation of the planning topic(s)

selected above, investment techniques and investments in specific securities, insurance products, and other investment vehicles or specific advice.

The plan or separate financial consultation will usually include general recommendations for a course of activity or specific actions to be taken by the client. Plans or consultations are typically completed within six (6) months of the contract date, assuming all information and documents requested are promptly provided.

Our financial planning services involve an assessment of the client's financial situation, including an analysis of financial planning needs and current investment portfolio(s). The information provided by the client is examined in relation to long and short-term investment objectives, specific client needs as perceived by Financial Partners, market conditions and general economic conditions. The advice includes specific recommendations regarding long and short term financial planning and recommendations concerning the retention or disposition of the client's securities and other investments. This service also includes at least one written report and one or more meetings to discuss the status of your financial situation and our specific recommendations.

Prior to engaging us to provide financial planning or consulting services, you will be required to enter into a Financial Planning Agreement that sets forth the terms and conditions of the engagement, describing the scope of the services to be provided and the fees due to us upon completion of the services. If requested, we may recommend the services of other professionals for implementation purposes. You will provide these professionals the necessary information to perform the required services. We will not be compensated for referring you to these professionals. You are under no obligation to engage the services of any such recommended professional. You retain absolute discretion over all such implementation decisions and are free to accept or reject any recommendations.

Advisory recommendations are based on your financial situation at the time the services are provided and are based on financial information disclosed by you. You are advised that certain assumptions may be made with respect to interest and inflation rates and the use of past trends and performance of the market and economy. Past performance is in no way an indication of future performance. You are advised that you have the responsibility to promptly notify us if there are ever any changes in your financial situation or investment objectives for the purpose of reviewing/evaluating/revising our previous recommendations and/or services.

We are required to disclose to our financial planning clients that a conflict of interest exists between us and our clients. The client is under no obligation to act upon the investment adviser's recommendation. As a fiduciary, we always put our client's interests ahead of our own. If the client elects to act on our recommendations, the client is under no obligation to effect the transaction through us. Implementation of the recommendations will be at the discretion of the client.

LPL Financial Sponsored Advisory Programs:

We may provide advisory services through certain programs sponsored by LPL Financial, a registered investment advisor and broker-dealer. Below is a brief description of each LPL Financial advisory program available to the Company. For more information regarding the LPL Financial programs, including more information on the advisory services and fees that apply, the types of investments available in the programs and the potential conflicts of interest presented by the programs, please see LPL Financial's Form ADV Part 2A (Disclosure Brochure) or the applicable

program's Form ADV Part 2A Appendix 1 (wrap fee brochure), as applicable, and the applicable client agreement.

Optimum Market Portfolios Program (OMP)

OMP utilizes the Optimum Funds from Delaware Investments. Each Optimum Fund represents an asset class in the Optimum Market Portfolios account and utilizes at least two best-in-class sub-advisors for optimal diversification. We will assist you in selecting the investment objective that addresses your specific profile and investment objectives. OMP employs both Strategic and Dynamic models. With the Strategic Models, LPL Financial Research has the discretionary authority to rebalance the investments quarterly. With the Dynamic Models, LPL Financial will rebalance the account quarterly or more frequently at the discretion of LPL Financial Research.

Personal Wealth Portfolios Program (PWP)

PWP delivers separately managed accounts, mutual funds and exchange-traded products (ETPs) in a single, easy-to-implement account. You may benefit from leveraging the expertise and resources of LPL Financial Research, which selects quality investment managers and provides ongoing due diligence and monitoring. The Overlay Portfolio Management Group uses state-of-the-art technological monitoring, rebalancing and tax management services to ensure the portfolio remains in line with the chosen investment strategy. We will assist you in selecting an investment objective that addresses your specific profile and investment objectives. You will allow us to have discretion for selecting third party money managers, mutual funds and ETFs within each asset class of the model portfolio. LPL Financial will act as the overlay portfolio manager and will be authorized to purchase and sell mutual funds, equity and fixed income securities on a discretionary basis.

Model Wealth Portfolios Program (MWP)

MWP provides access to portfolios constructed by LPL Financial Research and other portfolio strategists. Investment choices include mutual funds and ETFs. The portfolios benefit from ongoing monitoring, rebalancing and tax management services implemented by the LPL Financial Overlay Portfolio Management Group. We will assist you in selecting an investment objective that addresses your specific profile and investment objectives. You will provide us the discretionary authority to initiate model and strategy changes. You will also provide LPL Financial discretionary authority to select mutual funds and ETPs within a model portfolio, make strategic changes and rebalance.

Manager Access Select (MAS) and Manager Access Network (MAN) Programs

Manager Access Select and Manager Access Network are separate account platforms available through LPL Financial that offer high-net-worth investors the ability to access a variety of institutional portfolio managers at significantly lower account minimums. These programs enable clients the ability to enjoy a higher level of specialization and service through the ownership of individual securities. Advisors can choose from a broad range of portfolio managers and multiple investment styles including equity, fixed income, balanced, international, ETF, REIT and socially responsible portfolios. We will assist you in identifying a third party separate account manager that addresses your specific profile and investment objectives. The Portfolio Manager manages your assets on a discretionary basis.

Tailoring of Advisory Services

We offer individualized investment advice to clients utilizing our Asset Management Services. Additionally, we offer general investment advice to clients utilizing our Financial Planning Services.

Each client has the opportunity to place reasonable restrictions on the types of investments/securities to be held in the portfolio by contacting their Financial Partners IAR. Clients are also able to specify restrictions and limitations in their advisory agreement. Restrictions on investments in certain securities or types of securities may not be possible due to the level of difficulty this would entail in managing the account.

Participation in Wrap Fee Programs

We offer wrap fee programs as further described in Part 2A, Appendix 1 (the “SAP Wrap Fee Program Brochure”) of our Brochure. Our wrap fee and non-wrap fee accounts are managed on an individualized basis according to the client’s investment objectives, financial goals, risk tolerance, etc. We do not manage wrap fee accounts in a different fashion than non-wrap fee accounts. As further described in our SAP Wrap Fee Program Brochure, we receive a portion of the wrap fee for our services.

Regulatory Assets Under Management

As of 12/31/2019, our total assets under management is \$167,592,548, all of which is managed on a discretionary basis.

Item 5 – Fees and Compensation

How We Are Compensated for Our Advisory Services

Asset Management Services:

The following fee schedule will be the fee schedule in effect until any change is agreed upon, in writing, by both the Company and the client.

Market Value of Assets	Annual Fee
First \$250,000	2.25%
Next \$250,000	2.00%
Next \$500,000	1.75%
Next \$1,000,000	1.25%
Over \$2,000,000	1.00%

Clients residing in the State of New Mexico may be charged a flat annual fee of up to 2.80% in order to cover the New Mexico gross receipts tax. Fees are negotiable.

Our firm’s fees are billed on a pro-rata annualized basis quarterly in advance based on the value of your account on the last day of the previous quarter. Fees will be automatically deducted from your managed account.* The independent custodian will make quarterly adjustments for deposits and

withdrawals in client accounts. As part of this process, you understand and acknowledge the following:

- a) The client's independent custodian sends statements at least quarterly showing the market values for each security included in the Assets and all account disbursements, including the amount of the advisory fees paid to our firm;
- b) Clients will provide authorization permitting our firm to be directly paid by these terms. Our firm will send an invoice directly to the custodian; and
- c) If our firm sends a copy of our invoice to the client, a legend urging the comparison of information provided in our statement with those from the qualified custodian will be included.

*Certain accounts may establish procedures to pay our fee directly rather than through a debit to the account.

You may terminate this service upon 30 days written notice and a refund will be made on a pro-rata (by day) basis of any unearned fees paid in advance. The client has the right to terminate this agreement without penalty within five business days after entering into the contract.

Financial Planning Services:

Fees are negotiable and dependent upon the scope of work performed. Fees will be billed at a rate of \$300 per hour. Whether our firm charges a partial or full retainer upfront will be detailed in the agreement.

Since financial planning is a discovery process, situations occur wherein you are unaware of certain financial exposures or predicaments. In the event that your situation is substantially different than disclosed at the initial meeting, a revised fee will be provided for mutual agreement. You must approve the change of scope in advance of the additional work being performed when a fee increase is necessary.

Either party may terminate the Financial Planning Agreement at any time by providing 30 days written notice. For purposes of calculating refunds, all work performed by us up to the point of termination shall be calculated at the hourly fee currently in effect. You will receive a pro-rata refund of unearned fees based on the time and effort expended by our firm and Planner.

The client has the right to terminate this agreement without penalty within five business days after entering into the contract.

LPL Financial Sponsored Advisory Programs:

The account fee charged to the client for each LPL Financial advisory program is negotiable, subject to the following maximum account fees:

Optimum Market Portfolio (OMP)	2.5%
Personal Wealth Portfolio (PWP)	2.5%
Model Wealth Portfolio (MWP)	2.5%
Manager Access Select (MAS)	3.0%

Account fees are payable quarterly in advance. LPL Financial has a separate billing process which we have no control over. In general, they will directly bill you and describe how this works in their separate written disclosure documents.

LPL Financial serves as program sponsor, investment advisor and broker-dealer for the LPL Financial advisory programs. Our firm and LPL Financial may share in the account fee and other fees associated with program accounts.

Conflicts of Interest

Transactions in LPL Financial advisory program accounts are effected through LPL Financial as the executing broker-dealer.

Advisor receives compensation as a result of a client's participation in an LPL Financial program. Depending on, among other things, the size of the account, changes in its value over time, the ability to negotiate fees or commissions, and the number of transactions, the amount of this compensation may be more or less than what the Advisor would receive if the client participated in other programs, whether through LPL Financial or another sponsor, or paid separately for investment advice, brokerage and other services. In order to mitigate this conflict of interest, we will fulfill our fiduciary duty by acting in the client's best interest.

Other Types of Fees & Expenses

LPL Financial offers a trading platform with select exchange traded funds ("ETFs") that do not charge transaction fees. The no-transaction-fee ETF trading platform is available to clients participating in LPL Financial's Strategic Wealth Management ("SWM") and Strategic Asset Management ("SAM") programs. Clients will be subject to transaction fees charged by LPL Financial for ETFs not included in LPL Financial's platform and for other types of securities. The limited number of ETFs available on LPL Financial's no-transaction fee platform may have higher overall expenses than other types of securities and ETFs not included in the platform. Other major custodians have eliminated transaction fees for all ETFs and U.S. listed equities, so clients may pay more for investing in the same securities at LPL Financial.

TD Ameritrade, Inc. ("TD Ameritrade"), does not charge transaction fees for U.S. listed equities and exchange traded funds.

Also, clients will pay the following separately incurred expenses, which we do not receive any part of: charges imposed directly by a mutual fund, index fund, or exchange traded fund which shall be disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses). Our advisors do not earn 12B-1 fees. Such fees are absorbed by LPL Financial.

Wrap fee clients will receive our Form ADV, Part 2A, Appendix 1 (the "Wrap Fee Program Brochure"). Wrap fee clients will not incur transaction costs for trades. More information about this is disclosed in our separate Wrap Fee Program Brochure.

Clients may also incur miscellaneous fees and charges from their independent custodian. Such fees are subject to change without prior notification. A current schedule is available upon request.

Commissionable Securities Sales.

In order to sell securities for a commission, certain supervised persons are registered representatives of LPL Financial, member FINRA/SIPC. Our supervised persons accept compensation for the sale of securities or other investment products, including distribution or service (“trail”) fees from the sale of mutual funds. You should be aware that the practice of accepting commissions for the sale of securities presents a conflict of interest and gives our firm and/or our supervised persons an incentive to recommend investment products based on the compensation received.

We address commissionable sales conflicts of interest that arise when explaining to clients that commissionable securities sales creates an incentive to recommend products based on the compensation we and/or our supervised persons may earn and when recommending commissionable mutual funds, explaining that “no-load” funds are available through our firm if the client wishes to become an investment advisory client. We will also fulfill our fiduciary duty by acting in the client’s best interest.

This arrangement in no way prohibits you from purchasing investment products recommended by us through other brokers or agents which are not affiliated with us. Furthermore, this arrangement does not reduce your advisory fees to offset the commissions our supervised persons receive.

Item 6 – Performance-Based Fees and Side-By-Side Management

We do not charge performance based fees (i.e., advisory fees based on a share of the capital gains on or capital appreciation of the assets of a client).

Item 7 – Types of Clients

We offer financial and investment advisory services to individuals, high net worth individuals, pension and profit sharing plans (other than plan participants), and charitable organizations.

The minimum initial investment for the Optimum Market Portfolio account (OMP) is \$15,000. The minimum account size for the Personal Wealth Portfolio account (PWP) is \$250,000. The Model Wealth Portfolio’s (MWP) minimum account size is \$25,000.

The minimum account size for the Manager Access Select account (MAS) which varies by Portfolio Manager is typically \$100,000 for equity strategies and \$250,000 for fixed income strategies.

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

Your investment portfolio will be tailored to help you accomplish your unique financial goals and objectives. In determining the recommendations to give to you, we will first gather and consider information regarding several factors including your:

- current financial situation,
- investment goals and objectives,

- current and long-term needs,
- tolerance and appetite for risk, and
- level of investment knowledge.

After developing a thorough understanding of your risk tolerance and goals, we will work together to create a customized investment portfolio designed specifically for you.

We use several different methods of analysis and sources of information when formulating investment strategies. We source information from financial periodicals, research materials prepared by others, annual reports, prospectuses, filings with the SEC, and company press releases.

Investment Strategies

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time. We may use one or more of the following investment strategies when providing investment advice to you:

- Long Term Purchases - securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.
- Short Term Purchases - securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.
- Trading - securities sold within 30 days.

Methods of Analysis

We employ fundamental and technical analysis in formulating investment advice. Fundamental analysis involves reviewing financial statements to understand the general financial health of a company, and reviewing the management team or advantages the company may have over the competitors. Technical analysis involves the evaluation of historical market data such as price and volume of a particular security or investment instrument. Technical analysis often times involves the use of charts, graphs, and other tools to evaluate historical factors relating to the investment instrument and perhaps the market as a whole. The goal of technical analysis is to try to identify historical trading patterns that suggest future trading activity or price targets.

Please Note:

Investing in securities involves risk of loss that clients should be prepared to bear. While the stock market may increase and your account(s) could enjoy a gain, it is also possible that the stock market may decrease and your account(s) could suffer a loss. It is important that you understand the risks associated with investing in the stock market, are appropriately diversified in your investments, and ask us any questions you may have.

We will rebalance your portfolio periodically to control risk, take profits and enhance tax efficiency. We will reduce or eliminate positions due to lack of performance, to achieve certain tax benefits, to capture profits and to tactically re-allocate holdings.

While we seek to take advantage of investment opportunities for our clients that will seek to balance investment returns with the risk of loss, there is no guarantee that such opportunities will ultimately benefit our client. We will change client portfolios in response to market conditions that are unpredictable and may expose our client to greater market risk than seen in previous market cycles. There is no assurance that our investment strategy will enable our client to achieve their investment objectives.

Item 9 – Disciplinary Information

We do not have any legal, financial or other “disciplinary” items to report. We are obligated to disclose any disciplinary event that would be material to you when evaluating us to initiate a Client / Adviser relationship, or to continue a Client / Adviser relationship with us.

Item 10 – Other Financial Industry Activities and Affiliations

Many of our investment adviser representatives are registered representatives and investment adviser representatives of LPL Financial, a registered broker dealer member FINRA & SIPC and investment advisor with various state regulatory agencies. We have chosen to deliver their services in this fashion in order to offer our clients diverse and extensive investment opportunities. This represents a conflict of interest since their time is split between two business operations. Our investment adviser representatives are compensated by a fee based on assets in the advisory accounts rather than receiving commissions. Additionally, our investment adviser representatives may receive compensation (commission) based upon the sale of an investment product, including distribution and service fees, such as 12B-1 fees, from the sale of mutual funds in brokerage accounts as registered representatives of LPL Financial. Prior to these transactions being executed, registered representatives will disclose this conflict of interest.

Certain investment adviser representatives are licensed to sell insurance products through various companies. Appropriately licensed investment adviser representatives will receive compensation for the sale of such products. You are under no obligation to purchase insurance products through any particular insurance agency or IAR and may effect any such transactions where you desire.

A conflict of interest will arise as these commissionable sales create an incentive to recommend products based on the compensation they earn. In order to mitigate this conflict of interest, our investment adviser representatives will place client interests ahead of their own interests and adhere to our firm’s Code of Ethics as well as clearly explaining this conflict when recommending any such products to our clients. Clients are informed they are not obligated to purchase these products.

The investment adviser representatives spend less than 10% of their time with LPL Financial and as agents of various insurance companies.

The above affiliation may be considered material. However, we are not under common control and ownership with, and therefore, not affiliated with LPL Financial or any of its affiliates.

We do not receive compensation directly or indirectly from other investment advisers nor have other business relationships with other investment advisers for whom we have referred our clients.

Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Our firm has adopted a written Code of Ethics in compliance with SEC Rule 204A-1 under the Investment Advisers Act of 1940 (as amended—the Advisers Act). All employees of Financial Partners are deemed by the Advisers Act to be supervised persons¹ and are therefore subject to this Code of Ethics. In carrying on its daily affairs, the Company and all of our associated persons shall act in a fair, lawful and ethical manner, in accordance with the rules and regulations imposed by the Company's governing regulatory authorities.

An investment adviser is considered a fiduciary and our firm has a fiduciary duty to all clients. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. Our fiduciary duty is considered the core underlying principle for our Code of Ethics which also includes Insider Trading and Personal Securities Transactions Policies and Procedures. If a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided upon request.

We have created a Code of Ethics which establishes standards and procedures for the detection and prevention of certain conflicts of interest including activities by which persons having knowledge of the investments and investment intentions of Financial Partners might take advantage of that knowledge for their own benefit. We have in place Ethics Rules (the "Rules"), which are comprised of the Code of Ethics and Insider Trading policies and procedures. The Rules are designed to ensure that our personnel (i) observe applicable legal (including compliance with applicable state and federal securities laws) and ethical standards in the performance of their duties; (ii) at all times place your interests first; (iii) disclose all actual or potential conflicts; (iv) adhere to the highest standards of loyalty, candor and care in all matters relating to you; (v) conduct all personal trading consistent with the Rules and in such a manner as to avoid any actual or potential conflict of interest or any abuse of their position of trust and responsibility; and (vi) not use any material non-public information in securities trading. The Rules also establish policies regarding other matters such as outside employment, the giving or receiving of gifts, and safeguarding portfolio holdings information.

Under the general prohibitions of the Rules, our personnel may not: 1) effect securities transactions while in the possession of material, non-public information; 2) disclose such information to others; 3) participate in fraudulent conduct involving securities held or to be acquired by any client; and 4) engage in frequent trading activities that create or may create a conflict of interest, limit their ability to perform their job duties, or violate any provision of the Rules.

Our personnel are required to conduct their personal investment activities in a manner that we believe is not detrimental to its advisory clients. Our personnel are not permitted to transact in securities except under circumstances specified in the Code of Ethics. The policy requires all Access

¹ Supervised person means any partner, officer, director (or other person occupying a similar status or performing similar functions), or employee of an investment adviser, or other person who provides investment advice on behalf of the investment adviser and is subject to the supervision and control of the investment adviser.

Persons² to report all personal transactions in securities not otherwise exempt under the policy. All reportable transactions are reviewed for compliance with the Code of Ethics. In the event that you request a copy of our Code of Ethics, we will furnish a copy within a reasonable period of time to you at your current address of record.

We do not, nor do any of our related persons, recommend to you, or buy or sell for your accounts, securities in which we (or a related person) have a material financial interest. Our related persons may invest in the same securities that we or a related person recommend to clients. In order to minimize this conflict of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics, a copy of which is available upon request. Additionally, we do not, nor does a related person, recommend securities to you, or buy or sell securities for your accounts, at or about the same time that we (or a related person) buy or sell the same securities for our own (or the related person's own) account.

We do not execute transactions on a principal or agency cross basis for equity transactions. Pursuant to applicable Federal and/or State Privacy Regulations, we are a financial institution that has determined to keep confidential non-public personal information about each of our client.

As discussed above, many of our associated persons are registered representatives of LPL Financial. As a result of this relationship, LPL Financial may have access to certain confidential information (e.g., financial information, investment objectives, transactions and holdings) about our clients, even if client does not establish any account through LPL Financial. Please contact us if you would like a copy of LPL Financial's privacy policy.

A full copy of our Privacy Policy is provided, upon inception, of a new client and is provided each year thereafter. You may request a copy of our Privacy Policy at any time and a copy will be furnished within a reasonable period of time to you at your current address of record.

Item 12 – Brokerage Practices

We seek to recommend a custodian/broker who will hold your 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, these:

- Timeliness of execution
- Timeliness and accuracy of trade confirmations
- Research services provided
- Ability to provide investment ideas
- Execution facilitation services provided
- Record keeping services provided
- Custody services provided
- Frequency and correction of trading errors

² Access person means any of your supervised persons who has access to nonpublic information regarding any clients' purchase or sale of securities, or nonpublic information regarding the portfolio holdings of any reportable fund, or who is involved in making securities recommendations to clients, or who has access to such recommendations that are nonpublic. If providing investment advice is your primary business, all of your directors, officers and partners are presumed to be access persons.

- Ability to access a variety of market venues
- Expertise as it relates to specific securities
- Financial condition
- Business reputation
- Quality of services

With this in consideration, our firm recommends that clients establish custodial/brokerage accounts with LPL Financial, SEI Private Trust Company (“SEI”), or TD Ameritrade, Inc. (“TD Ameritrade”) member FINRA/SIPC. LPL Financial, SEI, and TD Ameritrade offer services to independent investment advisers which include custody of securities, trade execution, clearance and settlement of transactions. LPL Financial is the broker-dealer and investment adviser with which many of our representatives are also associated as registered representatives.

While we recommend that you use LPL Financial, SEI, or TD Ameritrade as a custodian/broker, you will decide which of them to use and open your account by entering into an account agreement with the custodian/broker-dealer of your choice.

LPL Financial, SEI, and TD Ameritrade may make certain research and brokerage services available at no additional cost to our firm, all of which qualify for the safe harbor exemption defined in Section 28(e) of the Securities Exchange Act of 1934. These services may be directly from independent research companies, as selected by our firm (within specific parameters). Research products and services provided by LPL Financial, SEI, or TD Ameritrade may include research reports on recommendations or other information about, particular companies or industries; economic surveys, data and analyses; financial publications; portfolio evaluation services; financial database software and services; computerized news and pricing services; quotation equipment for use in running software used in investment decision-making; and other products or services that provide lawful and appropriate assistance by LPL Financial, SEI, and TD Ameritrade to our firm in the performance of our investment decision-making responsibilities. The aforementioned research and brokerage services are used by our firm to manage accounts for which we have investment discretion. Without this arrangement, our firm might be compelled to purchase the same or similar services at our own expense.

We are required to specifically describe to our clients the types of products or services that we are acquiring and to permit them to evaluate possible conflicts of interest. Our description must be more detailed for products or services that do not qualify for the safe harbor in Section 28(e) of the Securities Exchange Act of 1934, such as those services that do not aid in investment decision-making or trade execution. Merely disclosing that we obtain various research reports and products is not specific enough. Our firm may receive other products and services that benefit us, but may not benefit our clients’ accounts. These benefits may include national, regional or investment adviser specific educational events. Other potential benefits may include occasional business entertainment of personnel of our firm, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Some of these products and services assist our firm in managing and administering clients’ accounts. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance, and marketing.

While, as a fiduciary, our firm endeavors to act in its clients' best interests, our recommendation/requirement that clients maintain their assets in accounts at LPL Financial SEI, or TD Ameritrade may be based in part on the benefit to our firm of the availability of some of the foregoing products and services and other arrangements and not solely on the nature, cost, or quality of custody and brokerage services provided. This creates a potential conflict of interest since we may have an incentive to place client trades through broker-dealers that offer the aforementioned services and products. This interest conflicts with the clients' interest of obtaining the lowest commission rate (transaction/ticket charge) available.

Our firm must act in the best interest of the client in seeking the best price and execution for the client's securities transactions. We are not obliged to get the lowest possible commission as qualitative aspects are equally important. Research, execution capability, the commission rate charged, the broker-dealers financial responsibility, and responsiveness to the firm should also be considered. Higher commission rates are reasonable in order to obtain the products and services of a broker-dealer. Best execution may not be reached if a client directs brokerage and the client must forego any benefit that the firm's preferred broker-dealer offers. Under the RIA's compliance obligations, policies and procedures must be in place as a way to ensure that best execution is being reached on a consistent basis.

We will review our best execution responsibilities when directing brokerage to any broker-dealer (especially affiliated entities), determining commission discounts and disclosing the various conflicts of interest inherent in this direction. We will evaluate the quality and cost of services received from broker/dealers on a periodic and systematic basis. As part of the evaluations, our firm will consider the quality and cost of services available from alternative broker/dealers, market makers, and market centers. Transactions for each client account generally will be effected independently, unless we decide to purchase or sell the same securities for several clients at approximately the same time. We may, but are not obligated to, combine or "batch" such orders to obtain "best execution", to negotiate more favorable commission rates, to allocate fairly among the clients' differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among our clients in proportion to the purchase and sale orders placed for each client account on any given day. To the extent that we determine to aggregate client orders for the purchase or sale of securities, including securities in which our principals (and/or associated persons) may invest, we shall generally do so in accordance with the parameters set forth in SEC No-Action Letter, SMC Capital, Inc. We shall not receive any additional compensation or remuneration as a result of the aggregation. When referring clients to dealers, we will only refer clients to dealers registered in states where the clients reside.

Item 13 – Review of Accounts

Asset Management Services:

Our management personnel or financial advisors will review accounts quarterly. The review covers evaluation of the account's asset allocation against the recommended allocation for that particular investment objective. The process also includes evaluation of the account's performance against benchmarks of similar investment objectives. We will discuss your current financial status, risk tolerance, and investment objective and goals to determine whether adjustments are required to

your current asset allocation and account holdings. Changes in macroeconomic and company specific events may trigger additional reviews.

We do not provide written reports to clients, unless asked to do so. Verbal reports to clients take place on at least an annual basis when we contact clients who subscribe to our Asset Management service.

Financial Planning Services:

Reviews will be performed during the financial planning process based on the terms of the engagement. We recommend, at least annually, financial check-ups or reviews. Particularly, you should contact us for additional reviews when making decisions about changes in your financial situation (i.e., the loss of a job, retirement, an inheritance, change in marital status, or other circumstances). Other conditions that may dictate a review are changes in the market conditions, and tax laws. We encourage you to schedule meetings in advance if your engagement agreement demands for ongoing financial planning and investment consultation services. Otherwise, you will be contacted per your plan schedule for continued review.

Reviews will be conducted by your selected financial planner and normally involve analysis and possible revision of your previous financial plan or investment allocation. Reviews are generally conducted under a new or amended agreement and will be assessed at our current hourly rate unless provided for in your engagement agreement.

Aside from the financial plan that we provide to you, we do not provide any other reports.

Item 14 – Client Referrals and Other Compensation

LPL Financial & TD Ameritrade

While we do not receive an economic benefit, including sales awards or other prizes, from a non-client for providing investment advice or other advisory services to our clients, in their capacities as registered representatives of LPL Financial, many of our investment adviser representatives may also receive commissions or fees from LPL Financial or payments from certain mutual funds distributed pursuant to a 12B-1 distribution plan or other such plans as compensation for administrative services, representing a separate financial interest. As such, a conflict of interest may exist with respect to recommendations to buy or sell such securities. In all cases, transactions are effected in the best interests of the client.

In connection with the transition of Financial Partners, LLC clients to the LPL Financial custodial platform and Mr. Murphy's association as a registered representative of LPL Financial, Mr. Murphy has received \$50,000 in transition assistance from LPL Financial. The transition assistance that Mr. Murphy received is in addition to the production bonuses, stock options, and other economic benefits that he is entitled to receive as a registered representative of LPL Financial. As a result, Mr. Murphy has a financial incentive to recommend that you establish an account with LPL Financial. This financial incentive creates a conflict of interest in connection with Mr. Murphy's recommendation of LPL Financial.

Referral Fees

Our firm does not pay referral fees (non-commission based) to independent solicitors (non-registered representatives) for the referral of their clients to our firm in accordance with Rule 206(4)-3 of the Investment Advisers Act of 1940.

Item 15 – Custody

Our firm does not have custody of client funds or securities. All of our clients receive account statements directly from their qualified custodians at least quarterly upon opening of an account. If our firm decides to also send account statements to clients, such notice and account statements include a legend that recommends that the client compare the account statements received from the qualified custodian with those received from our firm.

The SEC issued a no-action letter (“Letter”) with respect to the Rule 206(4)-2 (“Custody Rule”) under the Investment Advisers Act of 1940 (“Advisers Act”). The letter provided guidance on the Custody Rule as well as clarified that an adviser who has the power to disburse client funds to a third party under a standing letter of instruction (“SLOA”) is deemed to have custody. As such, our firm has adopted the following safeguards in conjunction with our custodians, LPL Financial and TD Ameritrade:

- The client provides an instruction to the qualified custodian, in writing, that includes the client’s signature, the third party’s name, and either the third party’s address or the third party’s account number at a custodian to which the transfer should be directed.
- The client authorizes the investment adviser, in writing, either on the qualified custodian’s form or separately, to direct transfers to the third party either on a specified schedule or from time to time.
- The client’s qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the client’s authorization, and provides a transfer of funds notice to the client promptly after each transfer.
- The client has the ability to terminate or change the instruction to the client’s qualified custodian.
- The investment adviser has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the client’s instruction.
- The investment adviser maintains records showing that the third party is not a related party of the investment adviser or located at the same address as the investment adviser.
- The client’s qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

Clients are encouraged to raise any questions with us about the custody, safety or security of their assets and our custodial recommendations.

Item 16 – Investment Discretion

We, in many cases, accept discretionary authority through the execution of the Power of Attorney by you. On a discretionary basis, we retain a limited power of attorney on each of the managed accounts and you authorize us to determine, without obtaining specific client consent, the securities and the amount of securities to be bought or sold for your account.

In managing investment portfolio, we act in a manner in keeping with what we understand and believe to be in your best interest. In making these buy and sell decisions, we follow general guidelines established by you which may include instructions to have us refrain from purchasing certain securities. Any restrictions must be submitted to us in writing.

Item 17 – Voting Client Securities (i.e., Proxy Voting)

Proxy Voting

As a matter of firm policy and practice, we do not vote proxies on behalf of our advisory clients. Our client advisory agreements or other client documents provide that our advisory clients expressly retain the authority and responsibility for voting proxies of portfolio securities. We may provide advisory clients with administrative assistance regarding proxy voting or issues; however, the clients have the responsibility to receive and vote any proxies.

Item 18 – Financial Information

We have no financial condition that is reasonably likely to impair our ability to meet our contractual commitments to you provided that we comply with the safekeeping requirements imposed by the State of New Mexico detailed in Item 15 of this Disclosure Brochure. Furthermore, we do not require or solicit prepayment of fees greater than \$1,200 per client and six months or more in advance. In addition, we are not currently, nor at any time in the past ten years been the subject of a bankruptcy petition.