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## Brian Thompson Financial LLC

310 N. Desplaines St., Unit D  
Chicago, IL 60661

### **Form ADV Part 2A – Firm Brochure**

(312) 624-8320

Dated March 27th, 2017

This Brochure provides information about the qualifications and business practices of Brian Thompson Financial LLC, “BTF”. If you have any questions about the contents of this Brochure, please contact us at (312) 624-8320. 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.

Brian Thompson Financial LLC is registered as an Investment Adviser with the State of Illinois. Registration of an Investment Adviser does not imply any level of skill or training.

Additional information about BTF is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) which can be found using the firm’s identification number 282379.

# Item 2: Material Changes

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*Item 4: Advisory Business:* has been updated to reflect assets under management, as of 12/31/2016 of \$399,445, all of which is managed on a discretionary basis.

*Item 4: Advisory Business* and *Item 5: Fees and Compensation* have been updated to reflect the new structure of comprehensive planning programs and associated fees.

Ongoing financial planning is now available for an engagement fee between \$1000.00 and \$3,000.00 and an ongoing fee that is paid monthly, in arrears, at a rate of 1% of Adjusted Gross Income (“AGI”), with a minimum of \$125 per month, for Fundamental Planning clients, or an annual rate 1% of AGI and a percentage of net worth beginning at .50%, with a minimum of \$250 per month, for Comprehensive Planning Clients.

<u>Net Worth Between:</u>	<u>Fee %</u>
\$0 to \$2,500,000	0.50%
\$2,500,000.01 - \$10,000,000	0.25%
\$10,000,000.01 and over	0.10%

The upfront charge and monthly fee will be determined by the complexity of the client’s needs. The fee may be negotiable in certain cases.

*Item 5: Fees and Compensation:* The Advisor has changed the Outside Manager’s fee regarding Betterment. Please see Item 5 for additional information regarding this fee change.

*Item 10: Other Financial Industry Activities and Affiliations* and *Item 19: Requirements for State Registered Advisers* have been updated to provide details on Brian Thompson Tax LLC, a tax preparation and representation firm for which Brian Thompson is the Managing Member.

# Item 3: Table of Contents

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# Item 4: Advisory Business

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## Description of Advisory Firm

Brian Thompson Financial LLC is registered as an Investment Adviser with the State of Illinois. We were founded in January 6, 2014, and became a registered investment adviser in February 2016. Brian Thompson is the principal owner of BTF. Assets under management as of 12/31/2017 are \$399,445.

## Types of Advisory Services

### Investment Advisory Services

We offer investment advisory services through use of third-party money managers (“Outside Managers”) for portfolio management services. We assist clients in selecting an appropriate allocation model, completing the Outside Manager’s investor profile questionnaire, interacting with the Outside Manager and reviewing the Outside Manager. Our review process and analysis of outside managers is further discussed in Item 8 of this Form ADV Part 2A. Additionally, we will meet with the client on a periodic basis to discuss changes in their personal or financial situation, suitability, and any new or revised restrictions to be applied to the account. Fees pertaining to this service are outlined in Item 5 of this brochure.

### Financial Planning

Our firm offers several ways to work with a financial planner to help you reach your financial goals. All our financial planning is a comprehensive evaluation of a client’s current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans. The key defining aspect of financial planning is that through the financial planning process, all questions, information and analysis will be considered as they affect and are affected by the entire financial and life situation of the client.

In general, the financial plan will address any or all of the following areas of concern. The client and advisor will work together to select the specific areas to cover. These areas may include, but are not limited to, the following:

- **Business Planning:** We provide consulting services for clients who currently operate their own business, are considering starting a business, or are planning for an exit from their current business. Under this type of engagement, we work with you to assess your current situation, identify your objectives, and develop a plan aimed at achieving your

goals.

- **Cash Flow and Debt Management:** We will conduct a review of your income and expenses to determine your current surplus or deficit along with advice on prioritizing how any surplus should be used or how to reduce expenses if they exceed your income. Advice may also be provided on which debts to pay off first based on factors such as the interest rate of the debt and any income tax ramifications. We may also recommend what we believe to be an appropriate cash reserve that should be considered for emergencies and other financial goals, along with a review of accounts (such as money market funds) for such reserves, plus strategies to save desired amounts.
- **College Savings:** Includes projecting the amount that will be needed to achieve college or other post-secondary education funding goals, along with advice on ways for you to save the desired amount. Recommendations as to savings strategies are included, and, if needed, we will review your financial picture as it relates to eligibility for financial aid or the best way to contribute to grandchildren (if appropriate).
- **Employee Benefits Optimization:** We will provide review and analysis as to whether you, as an employee, are taking the maximum advantage possible of your employee benefits. If you are a business owner, we will consider and/or recommend the various benefit programs that can be structured to meet both business and personal retirement goals.
- **Estate Planning:** This usually includes an analysis of your exposure to estate taxes and your current estate plan, which may include whether you have a will, powers of attorney, trusts and other related documents. Our advice also typically includes ways for you to minimize or avoid future estate taxes by implementing appropriate estate planning strategies such as the use of applicable trusts.

We always recommend that you consult with a qualified attorney when you initiate, update, or complete estate planning activities. We may provide you with contact information for attorneys who specialize in estate planning when you wish to hire an attorney for such purposes. From time-to-time, we will participate in meetings or phone calls between you and your attorney with your approval or request.

- **Financial Goals:** We will help clients identify financial goals and develop a plan to reach them. We will identify what you plan to accomplish, what resources you will need to make it happen, how much time you will need to reach the goal and how much you

should budget for your goal.

- **Insurance:** Review of existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home and automobile.
- **Investment Analysis:** This may involve developing an asset allocation strategy to meet client's financial goals and risk tolerance, providing information on investment vehicles and strategies, reviewing employee stock options, as well as assisting you in establishing your own investment account at a selected broker/dealer or custodian. The strategies and types of investments we may recommend are further discussed in Item 8 of this brochure.
- **Retirement Planning:** Our retirement planning services typically include projections of your likelihood of achieving your financial goals, typically focusing on financial independence as the primary objective. For situations where projections show less than the desired results, we may make recommendations, including those that may impact the original projections by adjusting certain variables (e.g., working longer, saving more, spending less, taking more risk with investments).

If you are near retirement or already retired, advice may be given on appropriate distribution strategies to minimize the likelihood of running out of money or having to adversely alter spending during your retirement years.

- **Risk Management:** A risk management review includes an analysis of your exposure to major risks that could have a significant adverse impact on your financial picture, such as premature death, disability, property and casualty losses, or the need for long-term care planning. Advice may be provided on ways to minimize such risks and about weighing the costs of purchasing insurance versus the benefits of doing so and, likewise, the potential cost of not purchasing insurance ("self-insuring").
- **Tax Planning Strategies:** Advice may include ways to minimize current and future income taxes as a part of your overall financial planning picture. For example, we may make recommendations on which type of account(s) or specific investments should be owned based in part on their "tax efficiency," with consideration that there is always a possibility of future changes to federal, state or local tax laws and rates that may impact your situation.

We recommend that you consult with a qualified tax professional before initiating any tax planning strategy, and we may provide you with contact information for accountants or attorneys who specialize in this area if you wish to hire someone for such purposes. We will participate in meetings or phone calls between you and your tax professional with your approval.

### **Financial Accountability Program**

This service involves working one-on-one with a planner over an extended period of time. By paying a monthly retainer, clients get continuous access to a planner who will work with them to design their plan. The planner will monitor the plan, recommend any changes and ensure the plan is up to date. With this program you will receive:

- A financial plan with a series of “To Dos” that includes a net worth statement, retirement projection and action checklist.
- The financial plan includes recommendations in the following areas: cash flow planning, debt repayment, investments, retirement planning, insurance, estate planning and tax planning.
- Access to a client portal that tracks your net worth, spending, budget, accounts and other important personal information
- An asset allocation on your 401(k) or work retirement account(s) is included as part of this service.
- A review of your benefits package with a 1-2 page summary on which programs you should choose to maximize your company benefits.
- A recommendation of the credit card that fits your needs based on your spending.
- Access to a network of other financial professionals such as estate planning attorneys, CPAs and insurance agents.
- Unlimited email support to help you reach your financial goals even faster.

When clients select this Program, they will be taken through establishing their goals and values around money. They will be required to provide information to help complete the following areas of analysis: net worth, cash flow, insurance, credit scores/reports, employee benefit, retirement planning, insurance, investments, college planning and estate planning. Once the clients’ information is reviewed, their plan will be built and analyzed, and then the findings, analysis and potential changes to their current situation will be reviewed with the clients.

- 60 minute initial Discovery meeting either via video conferencing (Skype or Google Hangouts).
- 60 minute Spending Review meeting to analyze current spending and see if it aligns with your values and goals.

- 60 Minute Spending Plan Meeting to go through the planning recommendations (written in plain English).
- 60 minute follow-up meeting at least every six months to check your progress.
- A Financial Plan with easy to understand recommendations and a 1-2 page action checklist.
- A CFP® who you can reach out to via email as your situation changes.
- Access to other financial professionals to be on your team to help you implement your recommendations.
- Investment advisory service is available on a sliding-scale fee detailed in Item 5. I use Betterment Institutional as my investment management platform.

A limited version of this program, the Fundamental Planning Program, is available for people who just wish to focus on goals and values, net worth, cash flow and creating a spending plan.

### **Financial Planning – Quick Start Program**

For those clients who wish to only focus on your 2 or 3 most pressing financial topics or questions, not limited to above, we offer a Quick Start program.

- A 90-minute video call (either Skype or a Google Hangout)
- An in-depth discussion of your 2-3 most pressing financial topics. Popular questions include:
  - Which payment plan should I choose for my student loans and how can I pay them off faster?
  - How do I sign up for my 401(k) and choose the investments?
  - How much should I set aside for emergency savings vs. savings for other goals?
  - What steps can I take to improve my credit and which credit card is best for me?
  - How do I start a Roth IRA and where should I set up the account?
  - Can you help me read my company benefits package and choose my benefits?
  - How much and which kind of life insurance should we have if we just had a baby?
- A follow up email with recommendations and an action checklist within 24 hours so that you can take action right away!



## Client Tailored Services and Client Imposed Restrictions

We offer the same suite of services to all of our clients. However, specific client services and their implementation are dependent upon the client Investment Policy Statement which outlines each client's current situation (income, tax levels and risk tolerance levels) and is used to construct a client specific plan to aid in the selection of a portfolio that matches restrictions, needs and targets.

## Wrap Fee Programs

We do not participate in wrap fee programs.

# Item 5: Fees and Compensation

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In Illinois, unless a client has received the firm's disclosure brochure at least 48 hours prior to signing the investment advisory contract, the investment advisory contract may be terminated by the client within five (5) business days of signing the contract without incurring any advisory fees. This is pursuant to Section 130.846 of the Rules.

Please note, unless a client has received the firm's disclosure brochure at least 48 hours prior to signing the investment advisory contract, the investment advisory contract may be terminated by the client within five (5) business days of signing the contract without incurring any advisory fees. How we are paid depends on the type of advisory service we are performing. Please review the fee and compensation information below.

## Investment Advisory Services

The standard advisory fee is based on the market value of the account and is calculated as follows:

Account Value	Annual Advisory Fee	Betterment Fee
<b>Under \$1,000,000</b>	0.40%	0.20%
<b>\$1,000,001 - \$3,000,000</b>	0.35%	0.20%
<b>\$3,000,001 and Above</b>	0.25%	0.20%

The annual fees are negotiable and are pro-rated and paid in arrears on a quarterly basis. The Outside Manager will debit the client's account for both the Outside Manager's fee, and BTF's advisory fee, and will remit BTF's fee to BTF. No increase in the annual fee shall be effective

without agreement from the client by signing a new agreement or amendment to their current advisory agreement.

Accounts initiated or terminated during a calendar quarter will be charged a pro-rated fee based on the amount of time remaining in the billing period. An account may be terminated with written notice at least 15 calendar days in advance. Since fees are paid in arrears, no rebate will be needed upon termination of the account.

## **Comprehensive Financial Planning Partnership**

Comprehensive Financial Planning consists of an engagement fee between \$1000.00 and \$3,000.00 and an ongoing fee that is paid monthly, in arrears, at a rate of 1% of AGI, with a minimum of \$125 per month for Fundamental Planning clients, or an annual rate 1% of Adjusted Gross Income (“AGI”) and a percentage of net worth beginning at .50%, with a minimum of \$250 per month, for comprehensive planning clients.

<u>Net Worth Between:</u>	<u>Fee %</u>
\$0 to \$2,500,000	0.50%
\$2,500,000.01 - \$10,000,000	0.25%
\$10,000,000.01 and over	0.10%

The upfront charge and monthly fee will be determined by the complexity of the client’s needs. The fee may be negotiable in certain cases.

### **Fundamental Planning: \$1000 engagement fee / \$1% of AGI (minimum of \$125/mo)**

#### **Client Service:**

- Includes two general meetings (virtual or in person) at the outset and 1 six month review meeting.
- Establishing and tracking your values and goals around money
- Figuring and tracking your net worth
- Plan and manage your cash flow
- Establish and maintain a proper emergency fund
- Debt management or reduction

#### **Written Reports:**

- Review of financial goals with recommendations

- Progress updates to facilitate implementation
- Access to budgeting software with review
- Annual asset allocation report with recommendations

**Most Appropriate for Clients:**

- ✓ For clients just who have never worked with a planner before
- ✓ Who only want to focus on initial planning tasks (values, goals, net worth, cash flow, etc.) rather than other topics like investments, taxes, insurance and estate planning.
- ✓ Who need guidance determining goals and monitoring to stay on track
- ✓ Who need help establishing a budget

**Full Comprehensive Planning: \$1,500 - \$2,500 engagement fee + monthly fee based on annual rate of 1% of AGI and .5% of net worth (minimum of \$250 per month)**

**Client Service:**

- 3 initial meetings (first 90 days)
- 2 follow up meetings per year (virtual or in person)
- Cash flow and budgeting planning
- Tax return review
- Tax planning strategies
- Goal development and ongoing monitoring/adjusting
- Annual employer plan review or SEP/Simple monitoring
- Ongoing investment portfolio review (with recommendations)
- Assistance in creating and monitoring college savings plans
- Student loan analysis, with management and repayment recommendations
- Assistance in establishing self-employed/small business retirement accounts
- Updates with new options or products available to aid in reaching goals
- Insurance and protection planning analysis and review
- Phone and e-mail discussions as needed

**Written Reports:**

- Review of financial goals with recommendations
- Progress updates to facilitate implementation
- Access to budgeting software with review
- Access to planning software to track goals and review changing goals
- Twice yearly asset allocation report with recommendations
- Written summary of meetings (virtual or in person)

**Most Appropriate for Clients:**

- ✓ Clients looking for extensive financial goal planning and advice
- ✓ Clients who have portfolios between \$300,000 and \$500,000
- ✓ Who are married and have family oriented financial goals
- ✓ Who want more frequent investment counseling
- ✓ Who might be going through a major life change and need a new plan
- ✓ Who need guidance determining goals and monitoring to stay on track
- ✓ Who are self employed or small business owners (<3 employees)

**Enhanced Comprehensive Planning: \$3,000 engagement fee + monthly fee based on annual rate of 1% of AGI and .5% of net worth****Client Service:**

- 3 initial meetings (first 90 days)
- 4-8 meetings per year (virtual or in person) as needed
- Cash flow and budgeting planning
- Tax return review
- Tax planning strategies
- Goal development and ongoing monitoring/adjusting
- Twice annual employer plan review or SEP/Simple monitoring
- Ongoing investment portfolio review (with recommendations)
- Assistance in creating and monitoring college savings plans
- Student loan analysis, with management and repayment recommendations
- Assistance in establishing self employed/small business retirement accounts
- Updates with new options or products available to aid in reaching goals
- Insurance and protection planning analysis and review
- Phone and e-mail discussions as needed

**Written Reports:**

- Ongoing review of financial goals with recommendations
- Monthly progress updates to facilitate implementation
- Access to budgeting software with review
- Access to planning software to track goals and review changing goals
- Quarterly asset allocation report with recommendations
- Written summary of meetings (virtual or in person)

**Most Appropriate for Clients:**

- ✓ Clients looking for extensive financial goal planning and advice
- ✓ Clients who have portfolios over \$1,000,000
- ✓ Who are married and have family oriented financial goals
- ✓ Who want more frequent investment counseling
- ✓ Who might be going through a major life change and need a new plan
- ✓ Who need guidance determining goals and monitoring to stay on track
- ✓ Who are self employed or operate their own business

The monthly fee is due at the end of each month. BTF will not bill an amount above \$500.00 more than 6 months in advance. This service may be terminated with 30 calendar days' written notice. In the event of early termination by Client any fees for the hours already worked will be taken from fees already paid and any completed work, such as completed sections of the financial plan and analysis, will be given to the Client. No assignment of the Agreement by Adviser shall be effective without the prior written consent of Client. No increase in the monthly fee shall be effective without agreement from the client by signing a new agreement or amendment to their current advisory agreement.

**Quick Start Program**

Our Quick Start program is a flat fee of \$499.00. The fee is due at the beginning of process. In the event of early termination before the delivery of a financial plan, a full refund will be given, minus an hourly rate of \$250.00 for any hours already worked and any partially completed work will be provided to the client.

**Financial Planning Hourly Fee**

On a limited basis we may be engaged for our financial planning and investment consultation services on an hourly fee basis. This is typically for those clients requiring a narrowly focused plan, incidental advice or abbreviated review session. The hourly rate is \$250 per hour that will be billed in 15 minute increments, and a partial increment will be treated as a whole increment. Prior to engagement you will receive an estimate of the overall cost based on your requirements and the time involved.

**Other Types of Fees and Expenses**

Our fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which may be incurred by the client. Clients may incur certain charges imposed by

custodians, brokers, and other third parties such as custodial fees, 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. Mutual fund and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to our fee, and we shall not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that we consider in selecting or recommending broker-dealers for client's transactions and determining the reasonableness of their compensation (e.g., commissions).

We do not accept compensation for the sale of securities or other investment products including asset-based sales charges or service fees from the sale of mutual funds.

## Item 6: Performance-Based Fees and Side-By-Side Management

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We do not offer performance-based fees.

## Item 7: Types of Clients

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We provide financial planning and portfolio management services to individuals, high net-worth individuals and corporations or other businesses.

We do not have a minimum account size requirement.

## Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

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Our primary investment strategy is passive investment.

### **Passive Investment Management**

We primarily practice passive investment management. Passive investing involves building portfolios that are comprised of various distinct asset classes. The asset classes are weighted in a manner to achieve a desired relationship between correlation, risk and return. Funds that passively capture the returns of the desired asset classes are placed in the portfolio. The funds

that are used to build passive portfolios are typically index mutual funds or exchange traded funds.

Passive investment management is characterized by low portfolio expenses (i.e. the funds inside the portfolio have low internal costs), minimal trading costs (due to infrequent trading activity), and relative tax efficiency (because the funds inside the portfolio are tax efficient and turnover inside the portfolio is minimal).

In contrast, active management involves a single manager or managers who employ some method, strategy or technique to construct a portfolio that is intended to generate returns that are greater than the broader market or a designated benchmark. Academic research indicates most active managers underperform the market.

Additionally, we refer clients to third-party investment advisers (“outside managers”). Our analysis of outside managers involve the examination of the experience, expertise, investment philosophies, and past performance of the outside managers in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We monitor the manager’s underlying holdings, strategies, concentrations and leverage as part of our overall periodic risk assessment. Additionally, as part of our due-diligence process, we survey the manager’s compliance and business enterprise risks. A risk of investing with an outside manager who has been successful in the past is that he/she may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in an outside manager’s portfolio. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our clients. Moreover, as we do not control the manager’s daily business and compliance operations, we may be unaware of the lack of internal controls necessary to prevent business, regulatory or reputational deficiencies.

## **Material Risks Involved**

**All investing strategies we offer involve risk and may result in a loss of your original investment which you should be prepared to bear.** Many of these risks apply equally to stocks, bonds, commodities and any other investment or security. Material risks associated with our investment strategies are listed below.

**Market Risk:** Market risk involves the possibility that an investment’s current market value will fall because of a general market decline, reducing the value of the investment regardless of the operational success of the issuer’s operations or its financial condition.

**Small and Medium Cap Company Risk:** Securities of companies with small and medium market capitalizations are often more volatile and less liquid than investments in larger companies.

Small and medium cap companies may face a greater risk of business failure, which could increase the volatility of the client's portfolio.

**Concentration Risk:** Certain investment strategies focus on particular asset-classes, industries, sectors or types of investment. From time to time these strategies may be subject to greater risks of adverse developments in such areas of focus than a strategy that is more broadly diversified across a wider variety of investments.

**Interest Rate Risk:** Bond (fixed income) prices generally fall when interest rates rise, and the value may fall below par value or the principal investment. The opposite is also generally true: bond prices generally rise when interest rates fall. In general, fixed income securities with longer maturities are more sensitive to these price changes. Most other investments are also sensitive to the level and direction of interest rates.

**Inflation:** Inflation may erode the buying-power of your investment portfolio, even if the dollar value of your investments remains the same.

## Risks Associated with Securities

Apart from the general risks outlined above which apply to all types of investments, specific securities may have other risks.

**Exchange Traded Funds** prices may vary significantly from the Net Asset Value due to market conditions. Certain Exchange Traded Funds may not track underlying benchmarks as expected.

**Investment Companies Risk.** When a client invests in open end mutual funds or ETFs, the client indirectly bears its proportionate share of any fees and expenses payable directly by those funds. Therefore, the client will incur higher expenses, many of which may be duplicative. In addition, the client's overall portfolio may be affected by losses of an underlying fund and the level of risk arising from the investment practices of an underlying fund (such as the use of derivatives). ETFs are also subject to the following risks: (i) an ETF's shares may trade at a market price that is above or below their net asset value; (ii) the ETF may employ an investment strategy that utilizes high leverage ratios; or (iii) trading of an ETF's shares may be halted if the listing exchange's officials deem such action appropriate, the shares are de-listed from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally. The Adviser has no control over the risks taken by the underlying funds in which clients invest.

# Item 9: Disciplinary Information

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## Criminal or Civil Actions



BTF and its management have not been involved in any criminal or civil action.

### **Administrative Enforcement Proceedings**

BTF and its management have not been involved in administrative enforcement proceedings.

### **Self-Regulatory Organization Enforcement Proceedings**

BTF and its management have not been involved in legal or disciplinary events that are material to a client's or prospective client's evaluation of BTF or the integrity of its management.

## **Item 10: Other Financial Industry Activities and Affiliations**

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No BTF employee is registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

No BTF employee is registered, or have an application pending to register, as a futures commission merchant, commodity pool operator or a commodity trading advisor.

Brian Thompson, Managing Member and CCO of Brian Thompson Financial LLC is also the Managing Member of Brian Thompson Tax LLC.

BTF only receives compensation directly from clients. We do not receive compensation from any outside source. We do not have any conflicts of interest with any outside party.

### **Recommendations or Selections of Other Investment Advisers**

As referenced in Item 4 of this brochure, BTF recommends clients to Outside Managers to manage their accounts. In the event that we recommend an Outside Manager, please note that we do not share in their advisory fee. Our fee is separate and in addition to their compensation (as noted in Item 5) and will be described to you prior to engagement. You are not obligated, contractually or otherwise, to use the services of any Outside Manager we recommend. Additionally, BTF will only recommend an Outside Manager who is properly licensed or registered as an investment adviser.

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

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As a fiduciary, our firm and its associates have a duty of utmost good faith to act solely in the best interests of each client. Our clients entrust us with their funds and personal information, which in turn places a high standard on our conduct and integrity. Our fiduciary duty is a core aspect of our Code of Ethics and represents the expected basis of all of our dealings. The firm also adheres to the Code of Ethics and Professional Responsibility adopted by the CFP® Board of Standards Inc. and accepts the obligation not only to comply with the mandates and requirements of all applicable laws and regulations but also to take responsibility to act in an ethical and professionally responsible manner in all professional services and activities.

## **Code of Ethics Description**

This code does not attempt to identify all possible conflicts of interest, and literal compliance with each of its specific provisions will not shield associated persons from liability for personal trading or other conduct that violates a fiduciary duty to advisory clients. A summary of the Code of Ethics' Principles is outlined below.

- Integrity - Associated persons shall offer and provide professional services with integrity.
- Objectivity - Associated persons shall be objective in providing professional services to clients.
- Competence - Associated persons shall provide services to clients competently and maintain the necessary knowledge and skill to continue to do so in those areas in which they are engaged.
- Fairness - Associated persons shall perform professional services in a manner that is fair and reasonable to clients, principals, partners, and employers, and shall disclose conflict(s) of interest in providing such services.
- Confidentiality - Associated persons shall not disclose confidential client information without the specific consent of the client unless in response to proper legal process, or as required by law.
- Professionalism - Associated persons' conduct in all matter shall reflect credit of the profession.
- Diligence - Associated persons shall act diligently in providing professional services.

We periodically review and amend our Code of Ethics to ensure that it remains current, and we require all firm access persons to attest to their understanding of and adherence to the Code of Ethics at least annually. Our firm will provide of copy of its Code of Ethics to any client or prospective client upon request.

### **Investment Recommendations Involving a Material Financial Interest and Conflicts of Interest**

Neither our firm, its associates or any related person is authorized to recommend to a client, or effect a transaction for a client, involving any security in which our firm or a related person has a material financial interest, such as in the capacity as an underwriter, adviser to the issuer, etc.

### **Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest**

Our firm and its “related persons” do not invest in the same securities, or related securities, e.g., warrants, options or futures, which we recommend to clients.

### **Trading Securities At/Around the Same Time as Client’s Securities**

Because our firm and its “related persons” do not invest in the same securities, or related securities, e.g., warrants, options or futures, which we recommend to clients, we do not trade in securities at or around the same time as clients.

## **Item 12: Brokerage Practices**

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### **Factors Used to Select Custodians and/or Broker-Dealers**

Brian Thompson Financial LLC does not have any affiliation with Broker-Dealers. Specific custodian recommendations are made to client based on their need for such services. We recommend custodians based on the reputation and services provided by the firm.

#### **1. Research and Other Soft-Dollar Benefits**

We currently do not receive soft dollar benefits.

#### **2. Brokerage for Client Referrals**

We receive no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

### **3. Clients Directing Which Broker/Dealer/Custodian to Use**

We do recommend a specific custodian for clients to use, however, clients may custody their assets at a custodian of their choice. Clients may also direct us to use a specific broker-dealer to execute transactions. By allowing clients to choose a specific custodian, we may be unable to achieve most favorable execution of client transaction and this may cost clients' money over using a lower-cost custodian.

### **The Custodian and Brokers We Use**

BTF does not maintain custody of your assets that we manage, although we may be deemed to have custody of your assets if you give us authority to withdraw advisory fees from your account (see Item 15—Custody, below). Your assets must be maintained in an account at a “qualified custodian,” generally a broker-dealer or bank. We may recommend that our clients use MTG, LLC dba Betterment Securities (“Betterment Securities”), a registered broker-dealer, member SIPC, as the qualified custodian. We are independently owned and operated and are not affiliated with Betterment Securities. Betterment Securities will hold your assets in a brokerage account and buy and sell securities when we and/or you instruct them to. While we may recommend that you use Betterment Securities as custodian/broker, you will decide whether to do so and will open your account with Betterment Securities by entering into an account agreement directly with them. We do not open the account for you, although we may assist you in doing so. If you do not wish to place your assets with Betterment Securities, then we cannot manage your account on Betterment Institutional (defined below).

### **Your Brokerage and Custody Costs**

For our clients' accounts that Betterment Securities maintains, Betterment Securities generally does not charge you separately for custody services, but is compensated as part of the Betterment Institutional (defined below) platform fee, which is a percentage of the dollar amount of assets in the account in lieu of commissions. We have determined that having Betterment Securities execute trades is consistent with our duty to seek “best execution” of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see “Factors Used to Select Custodians and/or Broker-Dealers”).

### **Services Available to Us via Betterment For Advisors**

Betterment Securities serves as broker dealer to Betterment for Advisors, an investment and advice platform serving independent investment advisory firms like us (“Betterment for

Advisors”). Betterment for Advisors also makes available various support services which may not be available to Betterment’s retail customers. Some of those services help us manage or administer our clients’ accounts, while others help us manage and grow our business. Betterment for Advisors’ support services are generally available on an unsolicited basis (we don’t have to request them) and at no charge to us. Following is a more detailed description of Betterment for Advisors support services:

1. **SERVICES THAT BENEFIT YOU.** Betterment for Advisors includes access to a range of investment products, execution of securities transactions, and custody of client assets through Betterment Securities. Betterment Securities’ services described in this paragraph generally benefit you and your account.
2. **SERVICES THAT MAY NOT DIRECTLY BENEFIT YOU.** Betterment for Advisors also makes available to us other products and services that benefit us, but may not directly benefit you or your account. These products and services assist us in managing and administering our clients’ accounts, such as software and technology that may:
  - a. Assist with back-office functions, recordkeeping, and client reporting of our clients’ accounts.
  - b. Provide access to client account data (such as duplicate trade confirmations and account statements).
  - c. Provide pricing and other market data.
3. **SERVICES THAT GENERALLY BENEFIT ONLY US.** By using Betterment for Advisors, we will be offered other services intended to help us manage and further develop our business enterprise. These services include:
  - a. Educational conferences and events.
  - b. Consulting on technology, compliance, legal, and business needs.
  - c. Publications and conferences on practice management and business succession.

## **Our Interest in Betterment Securities’ Services**

The availability of these services from Betterment for Advisors benefits us because we do not have to produce or purchase them. In addition, we don’t have to pay for Betterment Securities’ services. These services may be contingent upon us committing a certain amount of business to Betterment Securities in assets in custody. We may have an incentive to recommend that you maintain your account with Betterment Securities, based on our interest in receiving Betterment Institutional and Betterment Securities’ services that benefit our business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that our selection of Betterment Securities as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of

Betterment Securities' services and not Betterment for Advisors and Betterment Securities' services that benefit only us.

### **Aggregating (Block) Trading for Multiple Client Accounts**

Outside Managers used by BTF may block client trades at their discretion. Their specific practices are further discussed in their ADV Part 2A, Item 12.

## **Item 13: Review of Accounts**

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Client accounts with the Investment Management Service will be reviewed regularly on a quarterly basis by Brian E. Thompson, Managing Member and CCO. The account is reviewed with regards to the client's investment policies and risk tolerance levels. Events that may trigger a special review would be unusual performance, addition or deletions of client imposed restrictions, excessive draw-down, volatility in performance, or buy and sell decisions from the firm or per client's needs.

Clients will receive trade confirmations from the broker(s) for each transaction in their accounts as well as monthly or quarterly statements and annual tax reporting statements from their custodian showing all activity in the accounts, such as receipt of dividends and interest.

BTF will provide written reports to Investment Management clients on a quarterly basis. We urge clients to compare these reports against the account statements they receive from their custodian.

## **Item 14: Client Referrals and Other Compensation**

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We do not receive any economic benefit, directly or indirectly, from any third party for advice rendered to our clients. Nor do we, directly or indirectly, compensate any person who is not advisory personnel for client referrals.

We receive a non-economic benefit from Betterment for Advisors and Betterment Securities in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at Betterment Securities. These products and services, how they benefit us, and the related conflicts of interest are described

above (see Item 12—Brokerage Practices). The availability to us of Betterment for Advisors and Betterment Securities' products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

## Item 15: Custody

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BTF does not accept custody of client funds. Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. We urge you to carefully review such statements and compare such official custodial records to the account statements or reports that we may provide to you. Our statements or reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

For client account in which BTF directly debits their advisory fee:

- i. BTF will send a copy of its invoice to the custodian at the same time that it sends the client a copy.
- ii. The custodian will send at least quarterly statements to the client showing all disbursements for the account, including the amount of the advisory fee.
- iii. The client will provide written authorization to BTF, permitting them to be paid directly for their accounts held by the custodian.

## Item 16: Investment Discretion

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For those client accounts where we provide investment advisory services, we maintain discretion over client accounts with respect to securities to be bought and sold and the amount of securities to be bought and sold. Investment discretion is explained to clients in detail when an advisory relationship has commenced. At the start of the advisory relationship, the client will execute a Limited Power of Attorney, which will grant our firm discretion over the account. Additionally, the discretionary relationship will be outlined in the advisory contract and signed by the client. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

## Item 17: Voting Client Securities

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We do not vote Client proxies. Therefore, Clients maintain exclusive responsibility for: (1) voting proxies, and (2) acting on corporate actions pertaining to the Client's investment assets. The

Client shall instruct the Client's qualified custodian to forward to the Client copies of all proxies and shareholder communications relating to the Client's investment assets. If the client would like our opinion on a particular proxy vote, they may contact us at the number listed on the cover of this brochure.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward you any electronic solicitation to vote proxies.

## Item 18: Financial Information

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Registered Investment Advisers are required in this Item to provide you with certain financial information or disclosures about our financial condition. We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to clients, and we have not been the subject of a bankruptcy proceeding.

We do not have custody of client funds or securities or require or solicit prepayment of more than \$500 in fees per client six months in advance.

## Item 19: Requirements for State-Registered Advisers

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**Brian E. Thompson, JD, CFP®**

Born: 1979

### **Educational Background**

- 2005 – Juris Doctor, Boston University School of Law
- 2001 – Bachelor of Arts, Philosophy and English Composition, DePauw University

### **Business Experience**

- 01/2017 – Present, Brian Thompson Tax LLC, Managing Member
- 01/2014 – Present, Brian Thompson Financial LLC, Managing Member and CCO
- 04/2007 – 07/2016, American Tax Solutions, Inc., Associate Attorney
- 02/2006 – 04/2007, Macey and Aleman, P.C., Associate Attorney
- 09/2005 – 04/2006, H & R Block, Tax Associate



## **Professional Designations, Licensing & Exams**

**CFP (Certified Financial Planner) ®:** CFP® certificants must have a minimum of three years' workplace experience in financial planning and develop their theoretical and practical financial planning knowledge by completing a comprehensive course of study approved by CFP® Board. They must pass a comprehensive 2-day, 10-hour CFP® Certification Examination that tests their ability to apply financial planning knowledge in an integrated format. As a final step to certification, CFP® practitioners agree to abide by a strict code of professional conduct.

## **Other Business Activities**

Brian E. Thompson also prepares taxes and provides tax representation through Brian Thompson Tax LLC. This activity accounts for approximately 10% of Mr. Thompson's time during trading hours.

## **Performance Based Fees**

BTF is not compensated by performance-based fees.

## **Material Disciplinary Disclosures**

No management person at Brian Thompson Financial LLC has ever been involved in an arbitration claim of any kind or been found liable in a civil, self-regulatory organization, or administrative proceeding.

## **Material Relationships That Management Persons Have With Issuers of Securities**

Brian Thompson Financial LLC, nor Brian E. Thompson, have any relationship or arrangement with issuers of securities.

## **Additional Compensation**

Brian E. Thompson does not receive any economic benefit from any person, company, or organization, in exchange for providing clients advisory services through BTF.

## **Supervision**

Brian E. Thompson, as Managing Member and Chief Compliance Officer of BTF, is responsible for supervision. He may be contacted at the phone number on this brochure supplement.

## **Requirements for State Registered Advisers**

Brian E. Thompson has NOT been involved in an arbitration, civil proceeding, self-regulatory proceeding, administrative proceeding, or a bankruptcy petition.

## Brian Thompson Financial LLC

310 N. Desplaines St., Unit D  
Chicago, IL 60661

(312) 624-8320

Dated February 9th 2017

### Form ADV Part 2B – Brochure Supplement

*For*

**Brian E. Thompson, JD, CFP®**

Managing Member, and Chief Compliance Officer

This brochure supplement provides information about Brian E. Thompson that supplements the Brian Thompson Financial LLC (“BTF”) brochure. A copy of that brochure precedes this supplement. Please contact Brian E. Thompson if the BTF brochure is not included with this supplement or if you have any questions about the contents of this supplement.

Additional information about Brian E. Thompson is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) which can be found using the identification number 6594522.

## Item 2: Educational Background and Business Experience

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**Brian E. Thompson, JD, CFP®**

Born: 1979

### Educational Background

- 2005 – Juris Doctor, Boston University School of Law
- 2001 – Bachelor of Arts, Philosophy and English Composition, DePauw University

### Business Experience

- 01/2017 – Present, Brian Thompson Tax LLC, Managing Member
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## Item 3: Disciplinary Information

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No management person at Brian Thompson Financial LLC has ever been involved in an arbitration claim of any kind or been found liable in a civil, self-regulatory organization, or administrative proceeding.

## Item 4: Other Business Activities

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Brian E. Thompson also prepares taxes and provides tax representation through Brian Thompson Tax LLC. This activity accounts for approximately 10% of Mr. Thompson's time during trading hours.

## Item 5: Additional Compensation

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Brian E. Thompson does not receive any economic benefit from any person, company, or organization, in exchange for providing clients advisory services through BTF.

## Item 6: Supervision

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Brian E. Thompson, as Managing Member and Chief Compliance Officer of BTF, is responsible for supervision. He may be contacted at the phone number on this brochure supplement.

## Item 7: Requirements for State Registered Advisers

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Brian E. Thompson has NOT been involved in an arbitration, civil proceeding, self-regulatory proceeding, administrative proceeding, or a bankruptcy petition.