

## ITEM 1: INTRODUCTION

Independent Financial Partners (“IFP”) has both a broker-dealer (IFP Securities, LLC) and a registered investment adviser (IFP Advisors, LLC) registered with the Securities and Exchange Commission (SEC). IFP Securities, LLC is a member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investor Protection Corporation (SIPC).

Brokerage and investment advisory services fees differ, and it is important for you to understand these differences. Free and simple tools are available to research firms and financial professionals (for broker/dealers, they are known as Registered Representatives, and, for investment advisers, they are known as Investment Adviser Representatives) at [investor.gov/CRS](http://investor.gov/CRS), which provides educational materials about investment advisers, broker-dealers, and investing.

### Who is IFP?

IFP functions as both a Registered Investment Adviser and Broker-Dealer:

A Registered Investment Adviser is any person or firm who, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing, or selling securities, or who, for compensation and as part of a regular business, issues or promulgates analyses or reports concerning securities.

A Broker-Dealer is a company that is in the business of buying and selling securities—stocks, bonds, mutual funds, and certain other investment products—on behalf of its customers (as broker), for its own account (as dealer), or both.

As a registered investment adviser and a broker-dealer, IFP processes the investment business of the FPs who affiliate with us. These FPs are independent business owners who provide financial guidance to clients looking for assistance. IFP provides back-office services including processing client transactions and providing the technology platform, research capabilities, and other support services to assist FP’s in serving clients.

Because the financial services industry is heavily regulated, FP’s must register with an investment adviser and/or a broker-dealer. IFP is responsible develop policies & procedures designed to promote and supervise adherence with:

- Federal & State Securities Laws & Regulations
- Account Opening & Maintenance Standards
- Advisory and Transaction Standards
- Suitability and Best Interest
- Avoidance/Disclosure of Conflict-of-Interest
- Information Handling

IFP or one of its FP’s will assist you in making an account assessment in terms of which account is more appropriate. When we make recommendations regarding your commission-based brokerage account, we are acting as a broker-dealer. When we make recommendations regarding your advisory account, we are acting as an investment adviser. When we make a recommendation to you, we will expressly tell you which account we are discussing.

### Through our network of FPs, we offer the following investment opportunities/products:

- Exchange Traded Funds
- Unit Investment Trusts
- Registered Alternative Investments
- Municipal Securities
- 529 College Savings Plans
- Private Placements
- Rep as Portfolio Manager
- 3rd Party Asset Managers
- Pension Advice & Management
- IFP Asset Management/Models
- Financial Planning/Consulting
- Other

*For additional information, please visit our website at [www.ifpartners.com](http://www.ifpartners.com).*

## ITEM 2: RELATIONSHIPS AND SERVICES

### What investment services and advice can you provide me?

#### Investment Advisory Services

IFP's suite of investment advisory services are designed to accommodate a wide range of client investment philosophies and objectives. As is the case with brokerage services, advisory services clients have access to an array of securities products, including, but not limited to, common and preferred stocks; municipal, corporate, and government fixed income securities; mutual funds; exchange-traded funds (ETFs); options; unit investment trusts (UITs); variable annuities/insurance products; structured products, etc. IFP allows advisors to offer clients several managed account investment options, including unaffiliated third-party asset manager ("TPAM") services.

In contrast with a brokerage account, where you pay a commission on a transaction basis, with an advisory, or "managed," account, you pay a fee that is typically based on a percentage of the value of the assets in your account.

#### **Advantages of managed accounts include:**

- You pay no commissions or sales charges
- You can provide your advisor with the authority to manage your account on an ongoing basis

#### **Disadvantages of managed accounts includes:**

- Your asset management fees may be greater than comparable transaction-based commission charges
- The availability of certain product types (e.g., variable annuities & alternative investments) and features may be limited.

#### Broker-Dealer Services

When you invest through a brokerage account, your FP receives a commission for buying or selling securities products. This compensation occurs on a transactional basis. As a result, a brokerage relationship may be best for clients who are seeking a pure buy-and-hold strategy (e.g., purchase a security with the intention of not selling it for a long time) (i) where the anticipated volume of transactions would result in you paying lower fees and expenses in the form of commissions, as compared with an investment advisory relationship that pays an ongoing "assets under management fee", based upon comparing our prevailing fee schedules against your anticipated account activity/needs, (ii) where you place orders based upon your own initiative, and do not desire, need or otherwise utilize investment advice, but essentially want to use our services for "order placement-only." In addition, through a brokerage relationship, your FP may provide education, research, and information regarding financial products, but he or she do not generally provide ongoing investment advice unless associated with a particular transaction being recommended; such services are provided by investment adviser FPs.

The commissions you pay will depend on the type and nature of the security purchased or sold in your account. There are, for example, several different share classes of mutual funds, and each comes with different sales charges and expenses. Brokerage accounts also will incur certain account fees. (Please note: Advisory accounts may incur certain account fees as well.) For a list of fees charged by IFP brokerage accounts and related services, please ask your FP.

#### Financial Planning and Consulting Services

Financial planning can be described as helping you determine and set your long-term financial goals, through investments, tax planning, asset allocation, risk management, retirement planning, and other areas. We offer advisory services in the form of comprehensive and segmented/modular-based financial plans. These services do not by themselves involve actively managing your accounts. Unless engaged IFP in continuous and regular (ongoing) investment advisory capacity, our FPs of our broker/dealer do not monitor your account after effecting a securities transaction for you, including those investments our FP.

### Questions to ask your FP:

- Given my financial situation, why should I choose an advisory account? Should I choose a brokerage service? Should I choose both types of services?
- How will you choose investments to recommend to me?

Education keeps your FP abreast of relevant investment information and ideas. Through conferences, seminars and online training opportunities, we and our product providers (e.g., mutual fund, insurance companies, etc.) help keep your FP stay abreast of the ever-changing financial industry so that he or she can provide the best recommendations possible.

*It is important to understand how your FP can provide services and/or what limitations they may have.*

### Questions to ask your FP:

- What is your relevant experience, licenses, education, and/or other qualifications?
- What do those qualifications mean?

## ITEM 3: FEES, COSTS, CONFLICTS, AND STANDARD OF CONDUCT

### **What fees will I pay?**

Fees vary depending on the types of services provided and the capacity in which you have engaged your FP. For example, there are several different share classes of mutual funds, and each comes with different sales charges and expenses. This information is provided to you in various methods including but not limited to prospectuses, agreements, offering documents etc. Be sure to ask your FP to explain fees, costs, and limitations (such as investment amounts) relevant to the services they are providing and the investments you are purchasing. Certain products such as private placements, REITS and variable annuities generally have higher commissions and there is therefore a conflict of interest for FP who have a greater incentive to sell such products. If an FP recommends such products, you are encouraged to challenge your FP about why such products are in your best interest.

### Questions to ask your FP:

- Help me understand how these fees and costs might affect my investments
- If I give you \$10,000 to invest, how much will go to fees and cost, and how much will be invested for me?

### **What are your legal obligations to me when providing recommendations as my broker-dealer or when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?**

When we provide you with a recommendation as your investment adviser or as your broker-dealer, we must act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the recommendations and investment advice you receive.

An example of a conflict exists when your FP, associated with both IFP Advisors, LLC and IFP Securities, LLC, which are under common ownership each have a role in processing and transaction and maintaining your account, and both charge you. Your FP may suggest that you implement investment advice by purchasing securities products through a commission-based IFP Securities account. If you choose to purchase these products through IFP Securities, IFP and your FP will receive a commission based on the specific product purchased. A conflict will exist between the interests of IFP, your FP and your interests because your FP will earn compensation for each arrangement. A commission for the commission-based account an advisory fee for managed account and a fee for financial planning services when applicable. You are free to implement investment advice through any broker-dealer or product sponsor you chose. However, you should understand that, if you authorize our FP to engage in securities transactions on your behalf, your FP must place all purchases and sales of securities products through IFP Securities, LLC or other IFP approved institutions.

Other examples of conflicts of interest exists when (i) there are multiple layers of fees and/or commission rather than, if the investment were to be handled another way, there would be fewer/lower fees, (ii) IFP/FPs receive compensation from product providers to sponsor educational events for IFP/FPs, (iii) FPs selling certain products that have higher commissions than other products, (iv) FP recommending a bundled pricing model such as a “Wrap Program” when unbundled fee schedule would be cheaper (see IFP’s Wrap Brochure) and (v) FPs have outside business activities that provide services to you (independent insurance product sales, accountancy services, consultancy services, estate administration/advisory services, participation in Board of Directors/governance position where you have a financial interest, etc.).

### Questions to ask your FP:

How might your conflicts of interest affect me, and how will you address them?

### **How do your FPs make money?**

Not only do you want to know how much you will pay in fees, but you should also understand how your FP is incentivized. Your FP has an incentive in the fee charged to you as they receive a percentage of the fee with the remaining amount of the fee retained by IFP.

A FP will either earn a commission for recommending a product if they are acting in a broker capacity, if they are acting in an advisory capacity, they may earn a fee in the form of a one-time fee or an ongoing fee. Depending on your facts and circumstances, either may be appropriate. In addition, IFP and your FP can receive additional compensation from third-party firms. If you are interested in learning more, please review IFP’s Revenue Sharing Disclosure here or at [ifpartners.com/disclosures](http://ifpartners.com/disclosures).

### **Our FPs are compensated based on:**

- Amount of client assets they service
- Time & complexity required to meet a client’s needs
- Product sold (e.g., higher compensation for certain products, or commissions in general)
- Money IFP/FP earns from the advisory services, including account and transaction recommendations
- Bundled Fee Accounts
- Financial Planning

*\* You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.*

## **ITEM 4: DISCIPLINARY HISTORY**

### **Do you or your FPs have a legal or disciplinary history?**

Some of our FPs have a legal or disciplinary history.

You may look at [FINRA BrokerCheck](#) or our [Investment Adviser Public Disclosure \(IAPD\)](#) for our disciplinary history. Also, please ask your FP if they do have a disciplinary history and for what type of conduct.

Please visit [Investor.gov/CRS](http://Investor.gov/CRS) for a free and simple search tool to research IFP and your FPs. IFP also has a disciplinary history related to registration practices, which are disclosed in our ADVII/Brochure.

### Questions to ask your FP:

As an FP, do you have any disciplinary history? For what type of conduct?

## **ITEM 5: ADDITIONAL INFORMATION**

For additional information about our FP’s and our services, please visit the following sites:

[IFP Website](#)

[IFP Disclosures](#)

[Investment Adviser Public Disclosure Site \(IAPD\)](#)

[FINRA BrokerCheck](#)

[SEC Website](#)

You can request up-to-date information by contacting us at [compliance@ifpartners.com](mailto:compliance@ifpartners.com) (813)-341-0960 or find a current copy of our client relationship summary by visiting the disclosure section of [our website](http://our website) ([www.ifpartners.com](http://www.ifpartners.com)).