

**Item 1 – Cover Page**



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**Form ADV Part 2  
Advisory Brochure**

January 2, 2019

This brochure provides clients and prospective clients with information about Financial Avenues, LLC and the qualifications, business practices, and nature of its services that should be carefully considered before becoming an advisory client. The contents of this brochure have not been approved or verified by the U.S. Securities and Exchange Commission ("SEC") or any other state or federal governmental authority. While the firm and its associates may be registered with the State of Missouri and other state jurisdictions, registration in itself does not imply a certain level of skill or training on the part of the firm or its associated personnel.

Questions relative to the firm, its services, or this ADV Part 2 may be made to the attention of Ms. Tracy St. John at (913) 735-7283. Additional information about the firm, other advisory firms, or associated investment advisor representatives is available on the Internet at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov).

## **Item 2 - Material Changes**

Financial Avenues, LLC has amended its Form ADV Part 2 advisory services brochure from the previous version dated January 1, 2018 due to a change in the firm's registration with an additional state and its hourly fee. In this brochure, under Item 4 – Advisory Business, the firm is registered in the state of NE. In this brochure, under Item 5 – Fees and Compensation, the hourly fee has been updated to \$200 per hour.

Minor non-material editing and formatting refinements have also been made to this brochure. There are no further material changes to disclose. Clients and prospective clients are encouraged to review this brochure in its entirety. For future filings this section of the brochure may address only those material changes that have occurred since the firm's last annual update.

The firm may at any time update this document and either send a copy of its updated brochure or provide a summary of material changes to its brochure and an offer to send an electronic or hard copy form of the updated brochure. Clients are also able to download this brochure from the SEC's Website: [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov) or may contact our firm at (913) 735-7283 to request a copy at any time.

As with all firm documents, clients and prospective clients are encouraged to review this brochure in its entirety and are encouraged to ask questions at any time prior to or throughout the engagement.

## **Important Information**

Throughout this document, Financial Avenues, LLC shall also be referred to as the “firm,” “our,” “we” or “us.” These terms are utilized for the reader's ease of use while reviewing the brochure and are not meant to imply the firm is larger than it actually may be at the time of publication. The client or prospective client may also be referred to as “you,” “your,” etc., and refers to a client engagement involving a single *person* as well as two or more *persons*. The term “advisor” and “advisor” are used interchangeably where accuracy in identification is necessary (Internet address, etc.).

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## **Item 4 - Advisory Business**

### **About Our Firm**

Our mission is to guide you in making smart choices and to promote financial understanding. By building relationships and adhering to a high standard of care for what impacts you, Financial Avenues, LLC acts as your personal financial guide by providing simple directions to where you want to be.

We hold ourselves to a *fiduciary standard*, which means our firm and its associates will act in the utmost good faith and perform in a manner believed to be in the best interest of our clients. As investment advisors we are required to put you -- the client -- first.

We are a Missouri-domiciled registered investment advisor that provides fee-only financial planning, investment consultation and investment management services. In addition to our registration as an investment advisor in Missouri and Kansas since 2010, in Texas as of 2017 and NE in 2019, our firm and its associates may register or meet certain exemptions to registration in other states in which we conduct business. Ms. Tracy St. John (noted in Item 19) is the principal (supervisor), managing member and sole shareholder of the firm.

### **Our Services**

A complimentary interview is conducted to determine the scope of services to be provided. During or prior to this meeting, we will provide you with our current ADV Part 2 brochure that incorporates our privacy policy statement.

Should you wish to engage our firm, we begin each engagement with a financial plan whereby an analysis will be conducted to determine your financial need, goals, holdings, etc. and advice may be provided on such subjects as; cash flow, retirement capital needs, education funding, risk management, tax strategies, estate planning, or other specific needs a client may request. In the financial plan, we may also provide a client with an investment analysis and recommendations on the types of investment vehicles available, investment strategies, asset selection, as well as, assist you in establishing an account at a selected broker-dealer/custodian of your choosing. Our services may be broad based or more narrowly focused, as the client desires.

After the financial plan is presented to the client, the client has the option to further engage us for follow-up financial planning services or investment oversight services, at an additional fee.

In our follow-up financial planning services, a client can elect for us to review and update the recommendations made in the client's financial plan on a predetermined basis. Follow up financial planning services may also consist of cash-flow check-ins on a predetermined basis to track the client's success towards meeting their savings goal. Clients retain full responsibility for implementing our financial planning recommendations, and are free to accept or reject any recommendations we make.

When asked to perform investment oversight services, we conduct reviews and implement rebalancing recommendations according to the client's stated investment objectives and risk tolerance, on a preset basis. Our services do not constitute ongoing or continuous supervision or management of client's cash or securities in an account. We accept both discretionary and non-discretionary trading authority from clients when performing investment oversight services. When acting under non-discretionary authority, we will always obtain the client's consent before placing a trade in the client's account.

### Workshop Presentations

We may provide educational workshops on an “as announced” basis for groups desiring general advice on investments and personal finance. Topics may include issues related to wealth management, financial planning, retirement strategies, or various other economic and investment topics.

Our workshops are educational in nature and do not involve the sale of any investment products. Information presented will not be based on any one person’s need, nor do we provide individualized investment advice to attendees during general sessions.

The firm’s workshop presentations include Financial Wellness Programs for employees. Financial Wellness programs are educational sessions and include initial financial assessments and annual financial reviews to participants.

### General Information

We do not provide legal or accounting services. With your consent, we may work with your attorney or accountant to assist with the coordination and implementation of accepted strategies. You should be aware that these advisors may bill you separately for services and these fees will be in addition to those of our firm.

### Client Assets Under Management

Because our investment oversight services do not constitute regular supervisory or management services, Financial Avenues does not report assets under management.

### Wrap Fee Program

We do not participate in any wrap fee program.

## **Item 5 - Fees and Compensation<sup>1</sup>**

### Hourly Fee

Financial Avenues’ fee for financial planning services is charged at an hourly rate based on the amount of time expended providing the services. Financial Avenues’ current hourly rate is \$200.00 per hour. Fees may be negotiable at the sole discretion of Financial Avenues.

Services to be provided and the anticipated fee range are detailed in the written service agreement. Prior to performing the services, Financial Avenues requires a deposit of whichever is less; \$500.00, or, fifty percent (50%) of the estimated lowest fee set forth in Financial Avenues’ Fee Estimate. The actual total fee is based on the actual time spent providing services, and any additional amount owed is due upon completion of the services. Our fees for these services are negotiable at the discretion of our firm principal and comparable services may be provided elsewhere for a lower fee.

Financial Avenues’ billing rate is subject to change upon thirty (30) days written notice to Client, subject to Client’s right to terminate the Agreement.

Hourly fees can be paid by check, credit card or electronic transfer.

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<sup>1</sup>Financial Avenues, LLC reserves the right (but is not obligated) to assess a lower fee to its associates and related persons’ accounts maintained by the firm through its selected custodian.

## Fixed Fee

For Financial Avenues' periodic reviews of Client's investments and the implementation of rebalancing recommendations Financial Avenues charges a fixed fee based upon the scope of the engagement.

The fixed rate will be based upon the current hourly billing rate and an estimate of the total hours required throughout the year, considering such factors as the complexity of your financial profile, value of the overall portfolio, number of individual accounts comprising a portfolio, whether you or our firm will implement transactions for the account(s), and other such considerations.

We require the fixed fee payment to occur at the time of the review, (i.e., quarterly, semi-annual) when you engage the firm under this type of agreement.

You may pay your fixed fee by directly remitting the fee to our firm or the fee can be withdrawn from your account. If you choose to have the fee withdrawn from your account, you will be required to authorize our firm in writing to allow your selected broker/dealer, custodian, etc. (collectively we term "service provider") to deduct our advisory fees from your account, and all such fees will be clearly noted on your statements. Please note that if there is not adequate cash in brokerage/custodial account to pay these fees, it may be necessary to liquidate account holdings to cover fees due to our firm or the selected service provider.

We will send you a written notice of the fees deducted from the selected account, which includes the fee to be deducted as well as the covered time period. In all instances, you will share responsibility for verifying the accuracy of fee calculations in your invoice and/or statement.

Further information about our fees in relationship to our operational practices is noted in Item 12 of this document.

## Workshops and Financial Wellness Programs

Our workshop and Financial Wellness engagements are based on a flat-rate amount based on the firm's hourly rate. Fees may also involve the cost of workshop materials, as well as travel expenses, and would be negotiated with the sponsor in advance of the presentation.

## No-Load Products

Specific product recommendations made by our firm usually involve "no-load" (i.e., no commission) products, if available, or low-load products. In some cases, such as with insurance or actively-managed mutual funds, there may not be a suitable selection of no-load products available for recommendation, however, neither our firm nor our associates will be paid a commission on your purchase.

## Other Charges and Fees

Any transactional or custodial fees assessed by a selected service provider, individual retirement account fees, or qualified retirement plan account termination fees are borne by you as noted in the current, separate fee schedule of the selected provider. Fees paid to our firm for our services are separate from any charges you may pay for mutual funds, exchange-traded funds (ETFs) or other investments of this type. We do not receive "trailer" or SEC Rule 12b-1 fees from any investment company. Fees charged by these issuers are detailed in their prospectuses or product descriptions and you are encouraged to read these documents before investing. Our firm and its associates receive none of these described or similar fees or charges.

### Fees at Termination of Services

Either party may terminate the agreement at any time, which will typically be in writing (including electronic mail). Should you verbally notify our firm of the termination and, if in two business days following this notification we have not received your notice in writing, we will make a written notice of the termination in our records and send you our own termination notice via electronic mail as a substitute.

If you are a new client, you may terminate an agreement with our firm within five business days after the signing of our engagement agreement without penalty or charge.

Should you terminate an engagement after this date, you may be invoiced on a prorate basis for any time charges incurred by our firm in the preparation of your financial plan or investment allocation. In the case of any prepaid fees, we will promptly return any unearned amount.

Our firm will not be responsible for future allocations, transactional services or investment advice upon receipt of a termination notice.

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

Our fees will not be based upon a share of capital gains or capital appreciation (growth) of any portion of managed funds, also known as "performance-based fees."

Financial Avenues, LLC does not use a performance-based fee structure because of the potential conflict of interest this type of fee structure may pose. Performance-based compensation may create an incentive for a firm to recommend an investment that may carry a higher degree of risk to a client.

Side-by-side management refers to a firm simultaneously managing accounts that do pay performance based fees (such as a hedge fund) and those that do not, this type of arrangement, and the conflict of interest it may pose, is also not applicable to our firm's practices.

### **Item 7 - Types of Clients**

We provide our services to individual investors, trusts, estates, charities or foundations, pension and profit sharing plans, and businesses of various scale to assist them in meeting their financial objectives in what is believed to be a cost-effective way.

Our ability to provide our service and advice depends on access to important information. Accordingly, you are expected to provide us with an adequate level of information and supporting documentation throughout the term of the engagement, including but not limited to: source of funds, income levels, your (or your legal agent's) authority to act on behalf of the account, among other information. This helps us determine the appropriateness of our financial planning or investment strategy for you and your account.

It is very important that you keep us up-to-date on significant changes that may call for an update to your financial and investment plans. Events such as job changes, retirement, change in marital status, or the purchase or sale of a home can have a tremendous impact on your circumstances and needs. If we are aware of such events, we can make the adjustments needed to your plan or advice in order to keep you on track toward your goals.

We do not require minimum income levels, minimum level of assets, or other conditions for our services. Our firm reserves the right to waive or reduce certain fees based on unique individual circumstances, special arrangements, pre-existing relationships or as otherwise may be determined

by our firm principal. We also reserve the right to decline services to any prospective client for any non-discriminatory reason.

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

### **Method of Analysis**

If we are engaged to provide investment consultation or investment management services, we will first evaluate several factors, including your:

- current financial situation
- current and long-term needs
- investment goals and objectives
- level of investment knowledge
- tolerance for risk

Before we recommend any investment, we consider the current economic conditions, the outlook for that asset class or type of security and how this investment fits within your portfolio given your objectives and tolerance for risk. For equity investments, we focus primarily on the philosophies, experience and track record of the management team. With fixed income investments, we look for the best yield available for a given quality of security. As fiduciaries for our clients, we strive to obtain the most appropriate investment vehicles to meet your objectives, while being very conscious of total expenses and risk exposure.

Our research and recommendations may be drawn from sources that include financial publications, investment analysis and reporting software, research materials from outside sources, corporate rating services, annual reports, prospectuses and other regulatory filings, and company press releases.

### **Investment Strategies**

As financial planners and investment consultants, we believe in the following fundamental principles with regard to designing an investment portfolio and making specific recommendations:

- The purpose of a client's investment portfolio is to fund current and/or future financial objectives.
- The design of the portfolio must take into account the client's financial objectives, tolerance for risk, needs for current income or liquidity, and special considerations such as income and estate taxes.
- The important thing to remember is that no one can predict the future. It is difference of opinion that makes a market.

Investment and economic "experts" provided with the same information often come to different conclusions. We do not suggest that we can, or that any of the money or mutual fund managers that we recommend, will make the correct decision every time. We do believe, however, that studying the historic trends and relationships of investment classes and the philosophies and approaches of successful investment managers can provide valuable insight.

The appropriate allocation of investment assets for your goals and risk tolerance is the most important component in developing an investment portfolio. We believe that having a diversified, well-balanced portfolio, following long-term buy-and-hold strategies, and having patience; will increase the likelihood that one will achieve their long-term financial objectives.



Our staff will assist in rebalancing your portfolio, when necessary, in an attempt to maintain an optimal allocation while minimizing tax exposures, trading costs, etc. In limited circumstances and on request, we will offer advice on shorter-term investment strategies, such as for a portfolio “tactical overlay.”

We generally develop diversified portfolios principally through the use of passively managed, cost-efficient index mutual funds or ETFs. Existing positions within an account will be evaluated and may be recommended to remain when deemed appropriate.

### Risk of Loss

While we believe our strategies and investment recommendations are designed to potentially produce the highest possible return for a given level of risk, we cannot guarantee that an investment objective or planning goal will be achieved. Past performance is not necessarily indicative of future results.

Some investment decisions may result in loss, including potential loss of the original principal invested. Each client must be able to bear the various risks involved in the investment of account assets, which may include market, currency, interest rate, liquidity, and operational or political risk, among others.

When our research and analyses is based upon commercially available software, rating services, general market and financial information, or due diligence reviews, we are relying upon the accuracy and validity of the information or capabilities being provided by selected vendors, rating services, market data, and the issuers themselves. We make a reasonable effort to determine the accuracy of the information received but we cannot predict events, actions taken or not taken, or the validity of all information researched or provided which may or may not affect the advice to a client or account.

When a portfolio employs a passive, efficient markets theory, you will need to consider the potential risk that your broader allocation may generate lower-than-expected returns than that from a specific asset, and that the return on each type of asset is a deviation from the average return of the asset class. We believe this variance from the “expected return” is generally low under normal market conditions if the portfolio is made up of diverse, non-correlated assets.

If your preferred investment strategy involves more frequent trading, it may result in additional transactional costs or create taxable events, and in some instances potentially reducing or negating any benefit derived by shorter term investing.

Investment vehicles such as ETFs and indexed funds have the potential to be affected by “active risk” or “tracking error risk,” which might be defined as a deviation from their stated benchmark (index). Since the core of a portfolio may attempt to closely replicate a stated benchmark, the source of the tracking error or deviation may come from a “sample index” that may not as closely align the stated benchmark. In these instances, the firm may choose to reduce the weighting of a holding or use a “replicate index” position as part of its core holdings to minimize the effects of the tracking error in relation to the overall portfolio.

Also, while many index funds and ETFs are known for their potential tax-efficiency and higher “qualified dividend income” (QDI) percentages, there are certain asset classes or holding periods within a fund or ETF that may not benefit. Shorter holding periods or certain commodities and currencies (potentially within the fund/ETF) may be considered nonqualified, therefore the investments QDI will be considered if tax efficiency is an important aspect of your portfolio.

### **Item 9 - Disciplinary Information**

Neither Financial Avenues, LLC nor an associate has been subject of a reportable legal or disciplinary event pursuant to statute.

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

Our policies require our firm and its associates to conduct business activities in a manner that avoid actual or potential conflicts of interest between the firm, its employees and clients, or that may be contrary to law.

We will provide disclosure to each client prior to and throughout the term of an engagement regarding any conflicts of interest which might reasonably compromise our impartiality or independence. Neither our firm nor an associate is affiliated with or maintain a material relationship or arrangement with another financial services industry entity, such as a broker/dealer.

Our firm is a member of the Garrett Planning Network, Inc. (Garrett), an organization that assists financial planners in fee-only, financial planning practices. Garrett is not a registered financial industry participant; however, we do pay an annual membership fee for extensive services that include training, compliance and operational support to enhance our ability to provide quality service and advice to the investing public.

Associates of the firm may hold individual membership in professional industry associations or organizations such as the Financial Planning Association (FPA) or the Certified Financial Planner Board of Standards, Inc. Generally, participation in any of these entities require membership fees to be paid, adherence to ethical guidelines, as well as in meeting experiential and ongoing educational requirements.

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

#### **Code of Ethics**

We have adopted a Code of Ethics that establishes policies of ethical conduct for all our personnel. Our firm accepts the obligation not only to comply with all applicable laws and regulations but also to act in an ethical and professionally responsible manner in all professional services and activities.

Our policies include prohibitions against insider trading, circulation of industry rumors, and certain political contributions, among others.

Associates who are CFP® designees or FPA members also adhere to the Certified Financial Planner Board of Standards Code of Ethics. These principles include:

#### ***Principle 1 – Integrity***

An advisor will provide professional services with integrity. Integrity demands honesty and candor which must not be subordinated to personal gain and advantage. Advisors are placed in positions of trust by clients, and the ultimate source of that trust is the advisor's personal integrity. Allowance can be made for innocent error and legitimate differences of opinion, but integrity cannot co-exist with deceit or subordination of one's principles.

#### ***Principle 2 – Objectivity***

An advisor will provide professional services objectively. Objectivity requires intellectual honesty and impartiality. Regardless of the particular service rendered or the capacity in which an advisor

functions, an advisor should protect the integrity of their work, maintain objectivity and avoid subordination of their judgment.

### ***Principle 3 – Competence***

Advisors will maintain the necessary knowledge and skill to provide professional services competently. Competence means attaining and maintaining an adequate level of knowledge and skill, and applies that knowledge effectively in providing services to clients.

Competence also includes the wisdom to recognize the limitations of that knowledge and when consultation with other professionals is appropriate or referral to other professionals necessary. Advisors make a continuing commitment to learning and professional improvement.

### ***Principle 4 – Fairness***

Advisors will be fair and reasonable in all professional relationships. Fairness requires impartiality, intellectual honesty and disclosure of material conflict(s) of interest. It involves a subordination of one's own feelings, prejudices and desires so as to achieve a proper balance of conflicting interests. Fairness is treating others in the same fashion that you would want to be treated and is an essential trait of any professional.

### ***Principle 5 – Confidentiality***

Advisors will protect the confidentiality of all client information. Confidentiality means ensuring that information is accessible only to those authorized to have access. A relationship of trust and confidence with the client can only be built upon the understanding that the client's information will remain confidential.

### ***Principle 6 – Professionalism***

Advisors will act in a manner that demonstrates exemplary professional conduct. Professionalism requires behaving with dignity and courtesy to all who use their services, fellow professionals, and those in related professions. Advisors cooperate with fellow advisors to enhance and maintain the profession's public image and improve the quality of services.

### ***Principle 7 – Diligence***

Advisors will provide professional services diligently. Diligence is the provision of services in a reasonably prompt and thorough manner, including the proper planning for, and supervision of, the rendering of 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 a copy of its Code of Ethics to any client or prospective client upon request.

## Privacy Policy

We respect the privacy of all our clients and prospective clients, both past and present. We recognize that you have entrusted us with non-public personal information and it is important to us that all employees and clients of our firm know our policy concerning what we do with that information.

We collect personal information about our clients from the following sources:

- Information our clients provide to us to complete their financial plan or investment recommendation,
- Information our clients provide to us in agreements, account applications, and other documents completed in connection with the opening and maintenance of their accounts,
- Information our clients provide to us orally, and
- Information we may receive from service providers, such as custodians, about client transactions.

We do not disclose non-public personal information about our clients to anyone, except in the following circumstances:

- When required to provide services our clients have requested,
- When our clients have specifically authorized us to do so,
- When required during the course of a firm assessment (i.e., independent audit), or
- When permitted or required by law (i.e., periodic regulatory examination).

Within our firm, we restrict access to client information to staff that need to know that information. All personnel and our service providers understand that everything handled in our office is confidential and they are instructed to not discuss client information with someone else that may request information about an account unless they are specifically authorized in writing by the client to do so. This includes, for example, providing information about a spouse's IRA account, children about parents' accounts, etc.

To ensure security and confidentiality, we maintain physical, electronic, and procedural safeguards to protect the privacy of client information.

We will notify you annually of our privacy policy and at any time, in advance, if our policy is expected to change.

## Participation or Interest in Client Transactions

Neither our firm, 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, advisor to the issuer, etc.

Our employees are prohibited from borrowing from or lending to a client unless the client is an approved financial institution.

We recognize that should we act as the advisor to the sponsor of an ERISA-qualified retirement plan (i.e., 401(k) or pension plan) and one of our associates serves in an advisory capacity to one or more of the plan's participants, a potential or implied conflict of interest may occur.

We may require our associate to cease in this plan participant advisory capacity or, upon disclosure to and approval from the plan sponsor, allow the dual advisory role to continue with consideration being made to offset fees where appropriate.

Our firm provides a range of services to you and all of our clients, which includes financial planning, investment consultation services, and investment management services where we are paid a fee. Due to our firm's ability to offer part or all of these services to you, a potential conflict of interest may exist. Therefore, you are under no obligation to act upon our recommendations and, if you elect to act on any of our recommendations, you are under no obligation to complete all of them through our firm.

### Personal Trading

Our firm and its "related persons" may buy or sell securities similar to, or different from, those we recommend to clients for their accounts. A recommendation made to one client may be different in nature or in timing from a recommendation made to a different client. At no time, however, will our firm or any related party receive preferential treatment over our clients.

In an effort to reduce or eliminate certain conflicts of interest involving personal trading, our policy may require that we restrict or prohibit associates' transactions in specific reportable securities transactions. Any exceptions or trading pre-clearance must be approved by a principal of our firm in advance of the transaction in an account, and we will maintain the required personal securities transaction records per current regulation.

### **Item 12 - Brokerage Practices**

#### Factors Used to Select Broker/Dealers for Client Transactions

Financial Avenues does not maintain physical custody of your assets (see Item 15). Your account must be maintained by a qualified custodian (generally a broker/dealer, bank or trust company) that is frequently reviewed for its capabilities to serve in that capacity by their respective industry regulatory authority. Our firm is not a custodian nor is there an affiliate that is a custodian.

When we are engaged to provide an investment consultation via a financial planning service component, we may recommend you retain the service provider with whom your assets are currently maintained. Should you prefer a new service provider, a recommendation made by our firm would be based on your needs, in addition to overall costs and ease of use of that provider.

We prefer that our portfolio management services clients use TD Ameritrade Institutional, a division of TD Ameritrade, Inc. Member FINRA/SIPC. Our firm is independently owned and operated; it is not legally affiliated with TD Ameritrade Institutional. While we recommend TD Ameritrade Institutional as your custodian of record, you will decide whether to do so and will open your account in your name with them by entering into an agreement directly with them. We do not technically open the account for you, although we will assist you in doing so. If you do not wish to place your assets with TD Ameritrade Institutional as the custodian of record, we may be able to serve as your investment advisor with another custodian of your choice if the other custodian's policies allow us to do so.

TD Ameritrade Institutional offers independent investment advisors various services which include custody of client assets, trade execution, clearance and settlement, etc. Our firm may receive certain benefits from TD Ameritrade Institutional through participation in its independent advisor support program (please refer to Item 14 for further details), however, there is no direct link between our firm's participation in their program and the investment advice we may provide to our clients. Our firm periodically conducts an assessment of any recommended service provider (including TD Ameritrade Institutional) which generally involves a review of the range and quality of services, reasonableness of fees, among other items, and in comparison to industry peers.

### Best Execution

“Best execution” means the most favorable terms for a transaction based on all relevant factors, including those listed in the paragraph titled *Factors Used to Select Broker/Dealers for Client Transactions* and Item 14. We recognize our obligation in seeking best execution for our clients; however, it is our belief that the determinative factor is not always the lowest possible cost but whether the selected custodian’s transactions represent the best “qualitative execution” while taking into consideration the full range of services provided. Our firm will seek services involving competitive rates but it may not necessarily correlate into the lowest possible rate for each transaction. We have determined having our portfolio management clients’ accounts trades completed through our recommended custodian is consistent with our obligation to seek best execution of client trades. A review is regularly conducted with regard to recommending a custodian to our clients in light of our duty to seek best execution.

### Directed Brokerage

Our internal policy and operational relationship with our custodian requires client accounts custodied with them to have trades executed per their order routing requirements. We do not direct which executing broker should be selected for client account trades; whether that is an affiliate of our preferred custodian or another executing broker of our custodian’s choice. As a result you may pay higher commissions or other transaction costs, experience greater spreads, or receive less favorable net prices on transactions than might otherwise be the case.

In addition, since we routinely recommend a custodian for our advisory clients, and that custodian may choose to use the execution services of its broker affiliate for some or all of our client account transactions, there is an inherent conflict of interest involving our recommendation since our advisory firm receives various products or services described in this section from that custodian. Note that we are not compensated for trade routing/order flow, nor are we paid commissions on such trades. We do not receive interest on our client accounts’ cash balances.

Our clients are unable to engage in directed brokerage via our custodian. As a result, they may pay higher commissions or other transaction costs, potentially experience greater spreads, or receive less favorable net prices on transactions for their account than would otherwise be the case if they had the opportunity to direct brokerage.

### Aggregating Securities Transactions for Client Accounts

Trade aggregation involves the purchase or sale of the same security for several clients/accounts at approximately the same time. This may also be termed “blocked,” “bunched” or “batched” orders. Aggregated orders are effected in an attempt to obtain better execution, negotiate favorable transaction rates, or to allocate equitably among multiple client accounts should there be differences in prices, brokerage commissions or other transactional costs that might otherwise be unobtainable through separately placed orders. Our firm may, but is not obligated to aggregate orders, and the firm does not receive additional compensation or remuneration as a result of aggregated transactions.

Transaction charges and/or prices may vary due to account size and/or method of receipt. To the extent that the firm determines to aggregate client orders for the purchase or sale of securities, including securities in which a related person may invest, the firm will generally do so in accordance with the parameters set forth in SEC No-Action Letter, *SMC Capital, Inc.*, or similar guidance if the jurisdiction in which the client resides provides such direction.

Please note that when trade aggregation is not allowed or infeasible and necessitates individual transactions (e.g., withdrawal or liquidation requests, odd-lot trades, non-discretionary accounts, etc.), an account may potentially be assessed higher costs or less favorable prices than those where aggregation has occurred.

We review firm trading processes on a periodic basis to ensure they remain within stated policies and regulation. You will be informed, in advance, should trading practices change at any point in the future.

### Trade Errors

Our firm corrects our trade errors through an account maintained by TD Ameritrade Institutional, and we may be responsible for certain trading error losses that occur within a client account. Clients should be aware that trading gains in accounts maintained at TD Ameritrade Institutional are swept out daily to a designated account and donated to a 501(c)(3) charity of TD Ameritrade Institutional's choice, and TD Ameritrade Institutional will be obligated to disclose in their own literature to account holders whether such recipients' receipt of such donations presents a material conflict of interest.

### Client Referrals from Custodians

We do not receive referrals from our preferred custodian, nor are client referrals a factor in our selection of a custodian.

## **Item 13 - Review of Accounts**

### ***Financial Planning and Investment Consultation Services***

Periodic financial check-ups or reviews are recommended for clients receiving financial planning and investment consultation services, and it is the client's responsibility to initiate these reviews.

Reviews will be conducted by the assigned financial planner and normally involve analysis and possible revision of a previous financial plan or investment allocation. Portfolio "Snapshot" reports may be provided when our firm is engaged to provide asset allocation or investment advice as part of its investment consultation services; however, we will not provide ongoing performance reporting.

### ***Investment Management Services***

Investment management services accounts are periodically reviewed throughout the year by the assigned investment advisor representative, supervisory personnel (such as our firm principal), and/or a qualified independent entity engaged by our firm.

Additional reviews may be triggered by news or research related to a specific holding, a change in our view of the investment merits of a holding, or news related to the macroeconomic climate affecting a sector or holding within that sector.

Accounts may also be reviewed when being considered for an additional holding or an increase in a current position. Account cash levels above or below that deemed appropriate for the investment environment, given the client's stated tolerance for risk and investment objectives, may also trigger a review.

Investment management services clients will receive account statements sent directly from mutual fund companies, transfer agents, custodians or brokerage companies where their investments are maintained. Our firm may provide periodic portfolio reviews for these accounts; however, we do not provide our own ongoing performance reporting.

## Content of Client Provided Reports and Frequency

Whether you have opened and maintained an investment account on your own or with our assistance, you will receive account statements sent directly from mutual fund companies, transfer agents, custodians or brokerage companies where your investments are held. We urge you to carefully review these account statements for accuracy and clarity, and to ask questions when something is not clear.

Our firm may provide portfolio “snapshots” if we are engaged to provide periodic asset allocation or investment advice, but we do not provide ongoing performance reporting through our financial planning service. Portfolio management services accounts may receive performance reports from our firm that have been generated from our custodian’s data systems. Additionally, we may create our own performance reports based on data obtained from sources believed to be reliable. However, such data is not guaranteed as to its accuracy or completeness and is for informational purposes only. Clients are urged to carefully review and compare account statements that they have received directly from their custodian of record with any report they may receive from our firm or any other source that contains account performance information.

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

### Economic Benefit from External Sources and Conflicts of Interest

As disclosed in Item 12, the firm may receive economic benefit from TD Ameritrade Institutional in the form of various products and services they make available to the firm and other independent investment advisors that may not be made available to a “retail investor.” There is no direct link between our firm’s participation in their program and the investment advice we may provide to our clients. These benefits may include the following products and services (provided either without cost or at a discount):

- receipt of duplicate client statements and confirmations
- research related products and tools
- access to trading desks serving our clients
- access to block trading services
- the ability to have advisory fees deducted directly from a client’s accounts (per written agreement)
- resource information related to capital markets and various investments
- access to an electronic communications networks for client order entry and account information
- access to mutual funds with no transaction fees and/or select investment managers
- discounts on marketing, research, technology, and practice management products or services provided to our firm by third-party providers

Some of the noted products and services made available by TD Ameritrade Institutional may benefit our advisory firm but may not directly benefit a client account, and certain research and other previously referenced services may qualify as "brokerage or research services" under Section 28(e) of the Securities Exchange Act of 1934. The availability of these services from TD Ameritrade Institutional benefits our firm because it does not have to produce or purchase them as long as firm clients maintain assets in accounts at TD Ameritrade Institutional. A conflict of interest exists since our firm has an incentive to select or recommend a custodian based on our firm’s interest in receiving these benefits rather than your interest in receiving favorable trade execution.



It is important to mention that the benefit received by our firm through participation in any custodian's program does not depend on the amount of brokerage transactions directed to that custodian, and our selection of a custodian is primarily supported by the scope, quality, and cost of services provided as a whole -- not just those services that benefit only our advisory firm. Further, we will act in the best interest of our clients regardless of the custodian we may select.

#### Advisory Firm Payments for Client Referrals

We do not engage in solicitation activities involving unregistered persons. If we receive or offer an introduction to a client, we do not pay or earn referral fee, nor are there established *quid pro quo* arrangements. Each client retains the option to accept or deny such referral or subsequent services.

An associate of the firm may hold individual membership or serve on boards or committees of professional industry associations. Generally, participation in any of these entities require membership fees to be paid, adherence to ethical guidelines, as well as in meeting experiential and educational requirements. A benefit these entities may provide to the investing public is the availability of online search tools that allow interested parties (prospective clients) to search for individual participants within a selected state or region. These passive websites may provide means for interested persons to contact a participant via electronic mail, telephone number, or other contact information, in order to interview the participating member. The public may also choose to telephone association staff to inquire about an individual within their area, and would receive the same or similar information.

A portion of these participant's membership fees may be used so that their name will be listed in some or all of these entities' websites (or other listings). Prospective clients locating our advisory firm or an associate via these methods are not actively marketed by the noted associations. Clients who find our firm in this way do not pay more for their services than clients referred in any other fashion. The firm does not pay these entities for prospective client referrals, nor is there a fee-sharing arrangement reflective of a solicitor engagement.

#### Item 15 - Custody

Your funds and securities will be maintained by an unaffiliated, qualified custodian that you select, such as a bank, broker/dealer, mutual fund company, or transfer agent -- not with our firm or our associates.

In keeping with our policy of not having custody of client funds or securities, we:

- Restrict our firm and associates from acting as trustee for or having general power of attorney over a client account.
- Do not accept or forward client securities (i.e., stock certificates) erroneously delivered to our firm.
- Will not collect fees of \$500 or more for services to be performed six months or more in advance.
- Will not authorize any associate to have knowledge of a client's account access information (i.e., online 401(k), brokerage or bank accounts), even for the convenience or accommodation of the client or their legal agent when such access might result in physical control over client assets.

You will be provided with transaction confirmations and summary account statements provided directly to you by your selected service provider. Typically, these statements are provided on a monthly or quarterly basis, or as transactions occur. We will not create a statement for you nor be the sole recipient of your statements.

Should you ever receive periodic reports or "snapshots" from our firm that may include performance-related information, you are urged to compare your account statements that you have received directly from your service provider with any report you receive from our firm.

### **Item 16 - Investment Discretion**

We provide our investment management services to our clients through a *discretionary or non-discretionary* account agreement. Non-discretionary requires all account transactions to occur after your approval, including periodic rebalancing. Because of this pre-approval requirement, you must make yourself available and keep our firm apprised of your current contact information so that transaction instructions can be efficiently effected on your behalf. *By definition and absent your written instruction to the contrary, decisions involving an approved trade's execution price or time are not discretionary.*

### **Item 17 - Voting Client Securities**

Our firm does not vote proxies on your behalf nor offer guidance on the voting of client proxies. You will maintain exclusive responsibility for directing the manner in which proxies solicited by issuers of securities that are beneficially owned by you shall be voted, as well as making all other elections relative to mergers, acquisitions, tender offers or other events pertaining to your holdings.

We will have no power, authority, responsibility, or obligation to take any action with regard to any claim or potential claim in any bankruptcy proceeding, class action securities litigation or other litigation or proceeding relating to securities held at any time in a client account, including, without limitation, to file proofs of claim or other documents related to such proceeding, or to investigate, initiate, supervise or monitor class action or other litigation involving client assets.

You may receive proxies or other solicitations directly from your selected custodian or transfer agent.

If our firm receives correspondence relating to the voting of your securities, class action litigation, or other corporate actions, we typically forward the correspondence to your address of record or to another entity such as your attorney if you direct us to do so.

### **Item 18 - Financial Information**

We will not have custody of your assets, to include our not collecting fees from you of \$500 or more for services we will perform six months or more in advance.

The firm and its management do not have a financial condition likely to impair our ability to meet our commitment to our clients, nor has the firm been the subject of a bankruptcy petition at any time during the past 10 years.

Due to the nature of our firm's services and operational practices, an audited balance sheet is not required nor included in this brochure.

### **Item 19 – Requirements for State-Registered Advisors**

Please see the accompanying Form ADV Part 2B on the following page.

## **ADV Part 2B: Brochure Supplement (Advisory Personnel)**

This brochure provides information about Tracy St. John that supplements the Financial Avenues, LLC brochure. You should have received a copy of that brochure. Please contact Ms. St. John at (913) 735-7283 if you did not receive our advisory services brochure or if you have any questions about the contents of this supplement.

### **Firm Information**

Financial Avenues, LLC  
4701 College Blvd, Ste 103  
Leawood, KS 66211

28B Westwoods Drive  
Liberty, MO 64068-7820

(913) 735-7283

## **Item 2 - Educational Background and Business Experience**

Regulatory guidance requires the firm to disclose relevant post-secondary education and professional training for each principal executive and associate of the firm through ADV Part 2A and/or ADV Part 2B (Brochure Supplement), as well as their business experience for at least the past five years.

### **Managing Member/Sole Shareholder/Firm Principal/Investment Advisor Representative**

Tracy Lee St. John [Born 1966]

### **Educational Background and Business Experience**

#### ***Educational Background***

NSSA® Certification [2015]  
National Social Security Association, LLC

Master of Science in Family Financial Planning [2004]  
Kansas State University, Manhattan, KS

Chartered Retirement Plans Specialist<sup>SM</sup> (CRPS®)<sup>1</sup> [2003]  
College of Financial Planning, Denver, CO

Certificate of Personal Financial Planning [2002]  
Kansas State University, Manhattan, KS

Bachelor of Science in Biology - Psychology [1988]  
Birmingham-Southern College, Birmingham, AL

FINRA Series 7/General Securities Representative Examination<sup>2</sup> (Inactive)  
NASAA Series 63/Uniform Securities Agent Law Examination<sup>2</sup>  
NASAA Series 65/Uniform Investment Advisor Law Examination<sup>2</sup>  
Health and Life Insurance License

***Business Experience***

Financial Avenues, LLC, Kansas City, MO [2010-Present]  
Firm Principal/Financial Planner

Alliance Benefit Group, Albert Lea, MN & Kansas City, MO [2003-Present]  
NFP Securities, Inc., Austin, TX [2003-2010]  
Employee Benefits Consultant

Commerce Brokerage Services, Inc., Clayton, MO [1998-2003]  
Commerce Bank, N.A., Kansas City, MO [1997-2003]  
Investment Representative

Kemper Service Company, Kansas City, MO [1991-1997]  
Investment Representative

**Item 3 - Disciplinary Information**

Registered investment advisors are required to disclose certain material facts regarding any legal or disciplinary events that would be material to your evaluation of each officer or a supervised person providing investment advice. No reportable information is applicable to this section for Ms. St. John.

**Item 4 - Other Business Activities**

Ms. St. John is engaged as an independent contractor for Balancing Life's Issues, Inc. (BLI), a national provider of custom work and life balance corporate training programs.

Ms. St. John is not registered, nor has an application pending to register, as a registered representative of a broker/dealer or associated person of a futures commission merchant, commodity pool operator, or commodity trading advisor. Therefore, she does not receive commissions, bonuses or other compensation based on the sale of securities, including that as a registered representative of a broker/dealer or the distribution or service ("trail") fees from the sale of mutual funds.

Neither Ms. St. John nor her firm has a material relationship involving an issuer of a security.

**Item 5 - Additional Compensation**

The firm prohibits employees from accepting or receiving additional economic benefit, such as sales awards or other prizes, for providing advisory services to its clients.

**Item 6 - Supervision**

Ms. St. John serves in multiple capacities with our firm, including Managing Member, Firm Principal (Supervisor) and Investment Advisor Representative. We recognize by not having all organizational duties segregated may potentially create a conflict of interest, however, we believe our policies and procedures are designed to ensure appropriate recordkeeping and supervision. Certain functions may be outsourced to assist in these efforts when deemed necessary. Questions relative to the firm, its services, or this ADV Part 2 may be made to the attention of Ms. St. John at (913) 735-7283.

Additional information about our firm, other advisory firms, associated investment advisor representatives, including Ms. St. John, is available on the Internet at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov). A search of this site for firms or their associated personnel can be accomplished by their name or a

unique firm identifier, known as an *IARD number*. The IARD number for Financial Avenues, LLC is 153458.

The business and disciplinary history, if any, of an investment advisory firm and its representatives may also be obtained by calling the Missouri Securities Division at (573) 751-4136.

### **Item 7 - Requirements for State-Registered Advisors**

There have been neither arbitration awards nor any sanctions or other matters where Ms. St. John had been found liable in any civil, self-regulatory or administrative proceeding. Further, Ms. St. John has not been the subject of a bankruptcy petition.

### **Professional Designations and Securities Registrations**

<sup>1</sup>The **CHARTERED RETIREMENT PLANS SPECIALIST<sup>SM</sup> (CRPS<sup>®</sup>)** designation is provided through the College for Financial Planning<sup>®</sup> and is conferred to those professionals that have successfully completed the assigned program of instruction which includes the design, installation and maintenance of retirement plans for the business community. To acquire and maintain the CRPS<sup>®</sup>, designees must:

- successfully complete the program within the required timeline,
- pass a course final examination,
- comply with the program Code of Ethics which includes agreeing to abide by the Standards of Professional Conduct and Terms and Conditions as well as disclose of any criminal, civil, self-regulatory organization, or governmental agency inquiry, investigation, or proceeding relating to their professional or business conduct,
- pay a periodic renewal fee, and
- complete 16 hours of approved continuing education every two years.

<sup>2</sup>FINRA and NASAA examinations are "criterion based;" candidates who pass the exam are considered to have met the minimum competency level. The completion of a securities industry examination does not constitute or imply a person is "approved" or "endorsed" by a securities regulatory organization or state securities commissioner.