



# Cole Financial Consulting, LLC

*A New Mexico Registered Investment Advisor  
CRD# 149482*

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

January 11, 2019

This brochure provides clients and prospective clients with information about Cole Financial Consulting, 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 Securities and Exchange Commission (SEC) or any other state or federal authority. While the firm is an investment advisor registered with the State of New Mexico or in other jurisdictions in which it may serve, registration alone does not imply a certain level of skill or training on the part of the firm or its associated personnel. Any reference to the Investment Advisers Act of 1940 is not meant to imply registration with the Securities and Exchange Commission (SEC).

For questions about this ADV Part 2 Brochure, please contact Cole Financial Consulting, LLC by telephone at (505) 286-7915. Additional information about the firm is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

***Important Information:*** Throughout this document, Cole Financial Consulting, 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*.

**Item 2 - Material Changes**

Cole Financial Consulting, LLC has added a section on Business Consulting Services on page 5 of this Form ADV Part 2A brochure since the previous version dated February 21, 2018

For future filings this section of the brochure may address only those material changes that have been incorporated 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.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) or you may contact our firm at (505) 286-7915.

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 and throughout the engagement.

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***This ADV Part 2A brochure contains 16 pages and should not be considered complete without all pages.  
The accompanying Brochure Supplement ADV Part 2B contains an additional 4 pages.***

## **Item 4 - Advisory Business**

### **Fee-Only Services**

Cole Financial Consulting, LLC provides **fee-only** financial planning and investment consultation services for individuals, trusts, estates, charitable organizations, and corporations or other business entities. Depending upon each client's unique circumstances or specific request, our services may be broad-based or narrow depending on his or her distinct needs and goals. "Fee-only" means that we do not sell any financial products; we sell only our advice and services. This is different than other "advisors" in that we do not receive any commissions or referral fees, nor do we charge percentage-of-asset fees.

Approximately 60% of the firm's advisory activities involve providing financial planning advice and consultation with respect to client portfolios, including investment analysis and asset allocation and selection. These services are provided on an "incidental" (as-needed) basis and do not involve continuous monitoring of clients' investments (sometimes called "investment management" or "investment supervisory services"). The other 40% of the firm's business involves providing "non-securities advice" – consultation on such matters as risk management, retirement and education funding, cash flow management, debt reduction, tax planning and estate planning. Cole Financial Consulting, LLC does not directly manage client portfolios, have reportable client assets under its management, nor serve as sponsor or portfolio manager for a wrap fee investment program.

In addition to the firm's registration as an investment advisor in the State of New Mexico, Cole Financial Consulting, LLC may register or meet exemptions to registration in other states in which it conducts business. Jennifer Cole, CFA, MBA, CFP® is the managing member and majority shareholder of the firm. More information about Ms. Cole's background and experience is provided in Item 19 of this brochure.

### **The Fiduciary Standard**

The firm holds itself to a *fiduciary standard*, which means Cole Financial Consulting, LLC and its associates will act in the utmost good faith and perform in a manner believed to be in the best interest of its clients. As investment advisors we are *legally required* to put you, the client, first. This sets us apart from brokers, who -- for non-ERISA accounts -- are held to a lower "suitability" standard under current regulations and are not required to place their clients' interests ahead of their own, or to disclose their conflicts of interest involving their clients' transactions.

### **The Financial Planning Process**

For Project Engagements, our client relationship begins with a no-obligation, "get-acquainted" session, which may be held in person or conducted over the telephone. For "\$Straight Talk" clients, we conduct a pre-meeting telephone conversation. During these conversations, we gain an understanding of your personal goals, your financial needs and objectives, and any areas of concern. This information helps us determine the scope of services to be provided, including the estimated number of hours that will be required. Prior to or during this initial discussion, we will deliver to you a current ADV Part 2 Brochure, which includes the firm's Privacy Policy. The firm will also ensure any material conflicts of interest are disclosed regarding our firm and its associates that could be reasonably expected to impair the rendering of unbiased and objective advice. Following the meeting or phone conversation, you will be provided with a fee estimate based upon the proposed scope of services, as well as a list of any additional materials we may need to continue with your plan.

Should you wish to engage Cole Financial Consulting, LLC for its services, you and the firm must execute a written client agreement. Once a client agreement is in effect, further discussion takes place to obtain additional information and clarification on your financial needs, goals, current holdings, and other information needed for the firm to analyze your situation and offer advice and planning.

Financial advice and/or plans are based upon the information you or your legal agent provide, and reflect your financial situation at the time the plan is presented. In performing its services the firm may, but is not required to, verify any information received from you or from your legal agents.

Cole Financial Consulting, LLC does not provide accounting or legal services. With your consent, the firm may work with your other professional advisors (accountant, attorney, etc.) to assist with coordination and implementation of agreed upon strategies. When we work together with these other advisors, they will bill you separately for their services. Their fees will be in addition to those of Cole Financial Consulting, LLC — they do not share their fees with us, and we do not share our fees with them.

Engagements involving financial planning and investment consultation services generally conclude upon delivery of advice or the plan. We encourage our clients to engage the firm in the future, however. In order to stay on track with your goals, it is important to schedule periodic updates; it is each client's responsibility to initiate these meetings unless you specifically engage us to do so.

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

Cole Financial Consulting, LLC offers hourly-rate financial planning and investment consultation services that do not involve the direct management of your portfolio. Under this type of agreement, we would be engaged exclusively to provide you with incidental financial planning and investment advice, and you could implement the plan and/or advice independently or through another advisor. We can assist you with the implementation process, but we do not directly manage our clients' assets.

These financial planning and investment consultation services are often broad based – looking at a client's overall financial situation, needs and objectives, and developing a financial plan that is expansive in scope. Sometimes, however, a client prefers to focus only on certain aspects of their financial situation, rather than on his or her overall financial circumstances and long-term goals. Working within these limitations means that we may not be able to address other important aspects of a client's overall financial situation.

### **The \$traight Talk Planning Package**

With the **\$traight Talk** financial planning package, we jointly address your key questions and concerns in a time- and cost-efficient manner. **\$traight Talk** includes a two-hour collaborative working session augmented by additional behind-the-scenes preparation, analysis and documentation, culminating in the delivery of a limited-scope financial action plan. The total advisory time included in this package is three hours, and additional time needed for administrative tasks is included as well.

We focus on your most important financial issues, such as: Budgeting, Debt Repayment and Refinancing, Savings Plans, Financial Goal Setting, Retirement Resource Evaluation, Insurance Needs and Suitability Analysis, Portfolio Diversification, Estate Planning Considerations, Retirement Plan Decisions, Inheritance Proceeds Decisions, Investment Selection and Widowhood Transitions. Given its limited scope, a \$traight Talk package enables access to objective financial advice for a significantly lower fee than that of Project Engagements.

### **General Information**

We utilize a long-term investment perspective. If you engage us for investment consultation, Cole Financial Consulting, LLC may assist you in developing a portfolio we believe is appropriate for your particular investment objectives and tolerance for risk.

Clients retain absolute discretion over all implementation decisions, and are free to accept or reject any recommendation made by the firm. Further, it remains each client's responsibility to promptly notify Cole Financial Consulting, LLC if there is any change in his or her financial situation or investment objectives for the purpose of evaluating or revising the firm's previous recommendations.

Unless a written agreement is currently in place between the firm and the client that specifically includes review and updates, it is the client's responsibility to contact us for additional services once the initial engagement has concluded.

The firm is not obligated to monitor the accounts of incidental services clients or otherwise provide future services unless the client specifically requests such services and the firm agrees. Such services may be offered under a new or amended agreement.

### **Educational Workshops**

Cole Financial Consulting, LLC may provide educational workshops on an “as announced” basis for groups desiring general advice on investments and personal finance. We may offer customized presentations to meet the needs of employees or other groups, including on issues related to wealth management, financial planning, retirement strategies, or various other financial, economic and investment topics.

The informational workshops or programs we conduct are purely educational in nature and do not involve the sale of any investment products. The information we present at these events is not based on any individual person’s need, and we do not provide individualized financial advice to attendees during these sessions.

### **Business Consulting Services**

Cole Financial Consulting, LLC may, on occasion, provide advice regarding business operations and financial planning topics to other financial planning and investment advisory firms. Such advice does not and will not address their specific recommendations to their individual clients.

### **What Cole Financial Consulting, LLC Cannot Do**

While Cole Financial Consulting, LLC uses its best judgment and good faith effort in rendering its services to its clients, we cannot guarantee any particular level of account performance, or that any account or any individual investment will be profitable over time. Past performance is not necessarily indicative of future results.

Except as may otherwise be provided by law, the firm will not be liable to the client, heirs, or assigns for any loss an account may suffer by reason of an investment decision made or other action taken or omitted in good faith by the firm with that degree of care, skill, prudence and diligence under the circumstances that a prudent person acting in a fiduciary capacity would use; any loss arising from the firm's adherence to the client or their legal agent's direction; or any act or failure to act by a service provider maintaining an account.

Notwithstanding the preceding, nothing within the client services agreement or this Brochure is intended to diminish the firm's fiduciary obligation to act in the client's best interest, or shall in any way limit or waive any rights that clients have under federal or state securities laws or the rules promulgated pursuant to those laws.

## **Item 5 - Fees and Compensation**

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

Our services are generally provided on an hourly or project fee basis, calculated based on the firm's current rate of \$220 per hour (including gross receipts tax, if applicable). Hourly engagements are billed in one minute increments, and a partial increment is treated as a whole. The initial services to be provided and the total estimated fee to be charged will be determined on a case-by-case basis, and detailed in the client agreement. Total estimated fees will typically be determined by the estimated number of hours required, considering the complexity of the client's financial situation and the scope of services to be provided.

Broad-based financial planning and investment consultation **Project Engagements** for new clients are billed at a minimum of 8 hours.

The **Straight Talk** Planning Package is a limited scope planning engagement that includes three hours of advisory services time plus additional administrative time for a fixed fee of \$800; if advisory services beyond three hours are needed, additional time will be billed at the firm’s hourly rate of \$220 per hour.

Clients may be required to submit a deposit of \$1000 with the signed agreement. **Straight Talk** planning clients are required to submit the full \$800 fee with the signed agreement. The balance of actual fees for the initial services provided per the agreement will be due and payable to the firm when invoiced after recommendations are presented. Progress payments may be required for projects lasting over six weeks.

Fees are negotiable at the discretion of Cole Financial Consulting, LLC. We reserve the right to waive or reduce certain of our fees based on unique individual circumstances, special arrangements, pre-existing relationships or as otherwise determined by Jennifer Cole.

### **Fees for Educational Workshops**

Cole Financial Consulting, LLC may conduct group educational workshops for which we may impose a fee. In most cases, the employer, civic or non-profit group sponsoring the workshop pays any such fee, and the individual attendees are not charged. The fee is due from the sponsoring organization at the time of the session. The total fee for sessions of 1-3 hours ranges from \$400 to \$3,000 and is based on the number of hours spent in preparation and presentation, charged at the normal hourly rate of \$220. In the event that workshop attendees would be required to pay a per-person fee, the amount of the fee would reflect the scope, length, and attendance level of the event and be clearly disclosed in the event's announcement and/or invitation.

### **Recommendations, Including No-Load Products**

Cole Financial Consulting, LLC is an hourly, fee-only financial planning and investment advisory firm. Our investment approach is based on the employment of "no load" mutual funds and ETFs – in other words, those for which you would not be charged a sales commission. In some cases, however, such as with certain insurance products, there may not be a suitable selection of no-load products available for recommendation; in those circumstances we will seek "low-load" products whenever possible.

We also may be limited by the investment choices available in your 401(k) or other retirement plan. In any case, however, neither the firm nor its associates will be paid a commission on your purchase of an insurance or investment product.

The products we recommend may involve charges of their own, however. The fees clients pay to Cole Financial Consulting, LLC for our services are completely separate and distinct from any charges that clients may pay for mutual funds, exchange-traded funds (ETFs), exchange-traded notes (ETNs), or other similar investments. Cole Financial Consulting, LLC does not receive "trailer" or 12b-1 fees from any investment company recommended. Fees charged by any of these companies are detailed in prospectuses or product descriptions provided to the client. Clients are encouraged to read and consider these documents carefully before investing.

### **Termination of Services**

If you enter into an agreement with Cole Financial Consulting, LLC, either you or we may terminate the agreement at any time. Termination will typically be in writing. If, however, a client verbally notifies Cole Financial Consulting, LLC of termination and, we do not receive a written termination notice from the client within two business days, Cole Financial Consulting, LLC will document the client's instructions to terminate the relationship in our records, and will send a written termination notice to the client. The firm is not responsible for future allocation recommendations or advice upon notice of termination.

Our policy is to allow a new client to terminate an agreement with the firm without penalty or charge within five business days after the signing of the client services agreement. For terminations that occur after the first five days following signing of the client services agreement, any prepaid, unearned fees will be promptly returned to the client following receipt of termination notice.

If the agreement is terminated all fees due at time of termination will be due and payable by you within 30 days. CFC will refund any unearned, prepaid fees within thirty days of written request from the client.

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

Some advisors charge fees calculated based on the capital gains or capital appreciation (growth in value) of clients' accounts; these are performance based fees. Cole Financial Consulting, LLC does not charge fees based on assets, including performance based fees, thereby avoiding the potential conflicts of interest they may create.

"Side-by-side management" refers to an advisor simultaneously managing accounts that do pay performance based fees and those that do not. Cole Financial Consulting, LLC does not provide investment management services, nor do we charge performance based fees, so we do not face the potential conflicts of interest involved in this practice.

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

We provide services to help individual investors, trusts, estates, charitable organizations, and businesses cost-effectively plan for their financial future. Our clients often include single investors, families, retirees, professionals, executives and small business owners. We do not require minimum income levels or a minimum level of assets for our financial planning and investment consultation engagements.

Our ability to provide the best service and advice depends on access to current and accurate information about your situation and objectives. Accordingly, our clients are expected to provide an adequate level of information and supporting documentation to us throughout the term of the engagement, including but not limited to: source of funds; income levels; investing preferences; long-term goals; and the client's (or legal agent's) authority to act on behalf of the account. This information helps us determine the appropriateness of our financial planning and/or investment strategy for the client or account.

Cole Financial Consulting, LLC reserves the right to decline services to any prospective client for any reason.

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

#### **Methods of Analysis**

If you engage Cole Financial Consulting, LLC to provide investment consultation, we will initially evaluate your current financial situation, needs, goals, objectives and tolerance for risk. We will make investment policy, asset allocation and individual investment recommendations that are designed, in our best judgment, to meet your objectives while minimizing risk exposure. We will discuss these recommendations with you to ensure that you understand and are comfortable with our strategy.

The firm employs what it believes to be an appropriate blend of fundamental, cyclical, technical and charting analyses. In a basic sense, the firm studies both the underlying value of a security, as well as evaluating its past behavior in the market.

Fundamental analysis involves using data to evaluate a security's intrinsic value. For example, fundamental analysis of a bond's value could involve evaluating economic factors including interest rates, the current state of the economy, and information about the bond issuer's credit ratings. Fundamental analysis of a stock takes into account revenues, earnings, future growth, return on equity, profit margins and other data to evaluate a company's value and its potential for future growth.

Technical and charting analyses involve studying the historical patterns and trends of publicly traded stocks to determine the potential future behavior of a stock, regardless of the stock's underlying or intrinsic value. These methods are based upon analyzing statistics generated by market activity, such as past prices and trading volume.

As the name implies, cyclical analysis involves studying market cycles and whether particular stocks rise and fall in a cyclical fashion, or whether they are relatively immune to market fluctuations. For example, regardless of the economy,

people will still continue to pay for power to light and heat their homes, keeping utility stocks relatively steady even in economic downturns.

By combining these analyses, the firm believes it may better assist the client in determining the appropriate strategy that has been adapted to their requirements and goals.

Our research 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**

Cole Financial Consulting, LLC's investment policy, asset allocation and individual investment selection decisions are made, in our best judgment, to help the client achieve their overall financial objectives while minimizing risk exposure.

The firm believes asset allocation is a key component of investment portfolio design. We believe that the appropriate allocation of assets across diverse investment categories (stock vs. bond, foreign vs. domestic, large vs. small companies, etc.) is the primary determinant of portfolio returns and critical in the long-term success of its financial objectives.

We believe clients should structure their portfolios based on long-term return goals and levels of volatility that are acceptable to them. We do not support a "beat-the-market" mentality. Rather, long-term success is more likely to result from underperformance in strong markets and outperformance in weak. In addition, rebalancing helps to reduce portfolio volatility and may enhance long-term performance.

Portfolio changes are limited to those needed for annual rebalancing back to the target asset allocation, for tactical adjustments, and for upgrades of the quality and diversity of the holdings. The frequency of adjustments varies with market performance and the client's wishes.

Our recommendations of mutual funds and exchange-traded funds include both passive (index) and active funds. Funds are selected on the basis of fund strategy or index definition, valuation levels, historical performance relative to peers and volatility, cost structure, size and liquidity, concentration and turnover, tax implications, and other aspects. When appropriate, we will also support a client's decision to include individual stocks and bonds in a diversified portfolio.

### **Risk of Loss**

While Cole Financial Consulting, LLC believes our strategies and investment recommendation are designed to potentially produce the greatest return for a given level of volatility risk, it cannot guarantee that an investment objective or planning goal will be achieved.

Some investment decisions made by the client based on the firm's recommendations may result in loss, including potential loss of the original principal invested. The client must be able to bear the various risks involved in the investment of account assets, which may include market, currency, interest rate, inflation, liquidity, operational or political risk, among others.

When the firm's research and analyses is based upon commercially available software, rating services, general market and financial information, or due diligence reviews, the firm is relying upon the accuracy and validity of the information or capabilities being provided by selected vendors, rating services, market data, and the issuers themselves. Cole Financial Consulting, LLC makes reasonable effort to determine the accuracy of the information received but it cannot predict events or actions taken or not taken, or the validity of all information it has researched or provided which may or may not affect the advice to or investment strategy of a client account or financial plan.

Whenever employing a diversified investment approach, an investor should consider the potential risk that their broader allocation may generate lower returns than those of a specific asset class and that the return of their individual



investments within an asset class may deviate from the returns of that class. The use of actively-managed mutual funds and fundamental exchange-traded funds may result in more deviation from the returns of the class than will index funds.

The act of rebalancing a portfolio is expected to improve returns and limit volatility over the long term. However, rebalancing can also reduce gains in the short run by lowering exposure to asset classes that are experiencing strong appreciation.

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

Neither our firm nor its management has been involved in a material criminal or civil action in a domestic, foreign or military jurisdiction, an administrative enforcement action, or self-regulatory organization proceeding that would reflect poorly upon our firm's advisory business or the integrity of our firm.

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

Cole Financial Consulting, LLC's policies require us and our personnel to conduct business activities in a manner that avoids actual or potential conflicts of interest between the firm, employees and clients, or that may otherwise be contrary to law. Cole Financial Consulting, LLC will provide disclosure to each client prior to and throughout the term of an engagement regarding any conflicts of interest which might reasonably compromise its impartiality or independence.

Neither the firm nor its management is registered, nor is there an application pending to register, as a broker/dealer or a registered representative of a Financial Industry Regulatory Authority (FINRA) or National Futures Association (NFA) broker/dealer. Further, our firm and its management do not have a material relationship with any of the following types of entities:

- municipal securities dealer, or government securities dealer or broker;
- futures commission merchant, commodity pool operator, or commodity trading advisor;
- banking or thrift institution;
- lawyer or law firm;\*
- accountant or accounting firm;\*
- insurance company or agency;\*
- pension consultant;
- real estate broker or dealer;
- sponsor or syndicator of limited partnerships; or
- investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund).

\*Upon your request and when appropriate to do so, we may provide referrals to various other professionals in your area, such as accountants or attorneys. We do not have an agreement with or receive fees from these professionals for these informal referrals. Any fees charged by these other entities for their services are completely separate from advisory fees charged by our advisory firm.

Should we ever provide you with a recommendation to an unaffiliated registered investment advisor to manage your portfolio, we will first ensure we have conducted what we believe is an appropriate level of due diligence on the recommended third-party investment advisor, to include ensuring their firm is appropriately registered or notice-filed within your jurisdiction. Please note that we are not paid for this referral.

Cole Financial Consulting, LLC is a member of the Garrett Planning Network, an organization that assists financial planners in fee-only financial planning practices. Garrett Planning Network is not a registered financial industry participant, nor do its activities require it to be. Cole Financial Consulting, LLC pays an annual membership fee to Garrett Planning Network for extensive services that include training, compliance and operational support to enhance our ability to provide quality service and advice to our clients.

Cole Financial Consulting, LLC and/or Ms. Cole may also hold memberships to or serve on boards or committees of professional industry associations or organizations such as the CFA (Chartered Financial Analyst) Institute, and the CFA Society New Mexico. Generally, participation in these entities requires membership fees to be paid, adherence to ethical guidelines, and meeting experiential and educational requirements.

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

### **Code of Ethics Description**

The firm has adopted a Code of Ethics that establishes policies of ethical conduct for all personnel. Cole Financial Consulting, LLC 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. The firm's policies include prohibitions against insider trading, circulation of industry rumor, certain political contributions, among others.

As a Chartered Financial Analyst (CFA), Ms. Cole has also pledged to uphold the CFA Institute's Code of Ethics. Members of the CFA Institute must:

- Act with integrity, competence, diligence, respect, and in an ethical manner with the public, clients, prospective clients, employers, employees, colleagues in the investment profession, and other participants in the global capital markets.
- Place the integrity of the investment profession and the interests of clients above their own personal interests.
- Use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations, taking investment actions, and engaging in other professional activities.
- Practice and encourage others to practice in a professional and ethical manner that will reflect credit on themselves and the profession.
- Promote the integrity of and uphold the rules governing capital markets.
- Maintain and improve their professional competence and strive to maintain and improve the competence of other investment professionals.

Additional information regarding the CFA Institute's Code of Ethics and Standards of Professional Conduct can be obtained online at [www.cfainstitute.org](http://www.cfainstitute.org).

CERTIFIED FINANCIAL PLANNER™ Practitioners, including Ms. Cole, 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 by clients 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.

The firm periodically reviews and amends its 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. We will provide of copy of its Code of Ethics to any client or prospective client upon request.

## **Cole Financial Consulting, LLC's Privacy Policy**

### *Information About You That We Collect*

We collect personal information about current, former and potential clients that is provided via our forms, questionnaires and conversations in connection with any service, or potential service, provided by us. We also collect information from personal papers that you share with us, or that you authorize your accountant, insurance agent, lawyer, or other financial advisor to share with us.

We use your information in helping you meet your personal financial goals and guard against any real or perceived infringements of your rights of privacy. Our policy with respect to personal information about you follows.

### *Information Kept Private; Sharing Limited to Need to Know*

All personal information provided to our firm is held in the strictest confidence, including the fact that you are a client or potential client. Access to your information is limited to those who have a valid business reason.

We may share limited information about you with certain non-affiliated third parties solely in order to help us run our business and provide our advisory services. Such sharing of information is limited to our independent bookkeeper, accountant, and administrative assistants. In addition, access to our electronic database may be required for servicing by our software consultants. We require strict confidentiality in our agreements with these independent contractors and non-affiliated third parties. We will also disclose information to non-affiliated third parties when required by law or at your request. We will not provide any information to any other non-affiliated third parties and do not anticipate doing so in the future. If we were to anticipate such a change in firm policy, we would be prohibited under the law from doing so without advising you first.

Federal and state regulators may review firm records as permitted under law. Federal regulations permit us to share a limited amount of information about you so that our firm can discuss your financial situation with your accountant or lawyer, although we will not do so without your consent. We do not provide any client information to mailing list vendors or solicitors.

### *Secure Environment*

We maintain physical, electronic, contractual, and procedural safeguards to ensure that your information is not placed at unreasonable risk. We ask that you protect the nonpublic personal information that you transmit to us by using secure means. This includes encryption and password protection if using electronic transmission, and bar coded delivery systems if using USPS, FedEx or UPS. We pledge to do the same.

### *Categories of Information Collected*

The categories of personal information that we collect from a client depend upon the scope of the client engagement. These categories may include: your contact information and your date of birth; information about your personal finances, insurance and trusts; information about your personal goals, dreams, and health to the extent needed for the planning process; information about transactions between you and third parties; information from consumer reporting agencies. We avoid collecting social security numbers and financial account numbers since they are not needed for our advisory work.

### *Maintenance of Information*

Personally identifiable information about you will be maintained during the time you are or may become a client, and for the time that such records are required to be maintained by federal and state securities laws. Record retention is also consistent with the CFP Board Code of Ethics and Professional Responsibility. After that time, information may be destroyed.

### **Participation or Interest in Client Transactions**

Neither Cole Financial Consulting, LLC nor any related person is authorized to recommend to a client, or effect a transaction for a client, involving any security in which the firm or a related person has a material financial interest, such as in the capacity as an underwriter, advisor to the issuer, etc. Additionally, employees are prohibited from borrowing from or lending to a client unless the client is an approved financial institution.

### **Firm and Personal Trading**

Cole Financial Consulting, LLC does not trade for its own account, however, a "related person" (Jennifer Cole or other associates, immediate family members, etc.) may buy or sell securities similar or identical to those recommended to clients for their accounts. We may also make recommendations with respect to investments for our clients that differ in nature or timing from recommendations made to other clients, or from what we may buy or sell for ourselves. At no time, however, will Cole Financial Consulting, LLC or any related party receive preferential treatment over its clients.

In an effort to reduce or eliminate certain conflicts of interest involving personal trading, firm policy may require the periodic utilization of published lists that restrict or prohibit transactions in specific reportable securities transactions. Any exceptions or trading pre-clearance must be approved by the firm principal in advance of the transaction in any

related person's account. The firm maintains the required personal securities transaction records in accordance with industry regulation.

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

Cole Financial Consulting, LLC is not affiliated with and does not maintain an ongoing agreement with a "service provider" such as a bank, custodian, or broker-dealer firm. When engaged to provide investment consultation services, we typically first recommend the service provider with whom the client's assets are currently maintained. Should a client prefer a new service provider, our recommendation will be based on the need, overall cost, and ease of use for that particular client.

In light of the nature of its advisory services, the firm believes we are not obligated to conduct "best execution" assessments of client transactions under current guidelines. We will, however, periodically conduct an assessment of any service provider we recommend, to include the range of services and capabilities, reasonableness of fees, among other items, in comparison to other equivalent industry providers.

In certain circumstances, Cole Financial Consulting, LLC may recommend the investment management or other services of an independent investment advisor; such an advisor may also act as or be affiliated with a qualified custodian, broker/dealer or trust company. A client should, therefore, thoroughly review any recommended investment advisor's ADV Part 2 brochure in order to understand that firm's brokerage practices.

### **Client Referrals**

All compensation paid to Cole Financial Consulting, LLC is paid directly by our clients. We do not receive any additional monetary compensation when a client engages a recommended service provider. It is our firm's policy to prohibit non-cash ("soft dollar") compensation.

### **Directed Brokerage**

Cole Financial Consulting, LLC does not engage in directed brokerage involving any of its accounts. Due to the nature of the firm's advisory services, each client is free to use any particular service provider to execute some or all of their transactions for his or her account. In these circumstances, the client will be responsible for negotiating the terms and/or arrangements for their account, and Cole Financial Consulting, LLC will not be obligated to conduct due diligence, seek better execution services or prices from these broker/dealers, or aggregate client transactions for execution.

### **Trade Aggregation**

Since Cole Financial Consulting, LLC is not directly engaged for continuous investment supervisory services, we do not aggregate or "batch" trades on behalf of client accounts. Clients may potentially pay a higher transaction cost for individual trades than those that are batched.

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

Client engagements with Cole Financial Consulting, LLC generally terminate upon our delivery of the plan or advice to the client. We do not automatically provide ongoing reviews, although we may provide this service if engaged to do so.

In the absence of such a periodic review agreement, we are under no obligation to contact a client whose engagement was completed to recommend changes to his or her financial plan, or to any of the recommendations and advice provided in the past.

Reviews are an important part of ensuring that a plan continues to meet a client's needs, however, and we encourage all clients to re-engage us for periodic check-ups or portfolio reviews. Due to the "incidental" nature of the services offered by the firm, the client is responsible for initiating any such review, and may be required to sign a new or amended engagement agreement.

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

We may provide portfolio reports if we are engaged to provide periodic asset allocation or investment advice; however, we do not provide ongoing performance reporting under our financial planning and investment consultation services engagements. Clients are urged to carefully review and compare account statements that they have received directly from their service provider with any report received from our firm.

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

Cole Financial Consulting, LLC does not engage in solicitation activities as defined by statute, nor does it pay a direct or indirect fee for referrals.

As noted earlier, Cole Financial Consulting, LLC and associated personnel may be members of the Garrett Planning Network, the CFA Institute, CFA Society New Mexico and other professional associations. An added 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 participant firms or individual financial planners within a selected state or region. These passive websites may provide means for interested persons to contact a firm or planner via electronic mail, telephone number, or other contact information, so that the interested person may interview the participant firm or planner. Members of the public may also choose to telephone association staff to inquire about a firm or individual planner within their area, and would receive the same or similar information.

Prospective clients locating Cole Financial Consulting, LLC or an individual associate via such an association are not actively marketed, nor do clients or prospective clients pay more for their services than clients referred in another fashion, such as a personal referral from another client. The firm does not pay these entities for prospective client referrals, nor is there a fee-sharing arrangement reflective of a solicitor engagement.

Cole Financial Consulting, LLC may provide referrals to other appropriately registered investment advisory firms (such as money managers), and various other professionals as a service to its clients. The firm does not have an agreement with or receive referral fees from any other advisors for these referrals, nor do we pay for referrals they may make to us. Any fees charged by these entities are completely separate from fees charged by Cole Financial Consulting, LLC.

#### **Item 15 - Custody**

All client funds and securities will be maintained by unaffiliated, qualified custodians such as banks, broker-dealers, mutual fund companies, or transfer agents, and not with or by Cole Financial Consulting, LLC or any of our associates. In keeping with our policy of not having custody of our client funds or securities, we:

- Restrict our firm and associates from serving as trustee or having full power of attorney over a client account;
- Are prohibited from having authority to withdraw securities or cash assets from a client account. We also do not withdraw advisory fees from clients' investment accounts;
- Do not accept or forward client securities (i.e., stock certificates) erroneously delivered to our firm;
- Will not collect advance fees of more than \$500 for services that are to be performed six months or more into the future; and
- Will not authorize any associate to have knowledge of a client's account access information (i.e., online 401(k), brokerage or bank accounts) when such access might result in physical control over client assets.

## **Account Statements and Transaction Confirmations**

Clients will be provided with transaction confirmations and summary account statements provided directly by their selected service provider. Typically, account statements are provided on a monthly or quarterly basis, and confirmation statements are provided as transactions occur. These statements and confirmations are not generated or delivered by Cole Financial Consulting, LLC.

Clients may, however, receive periodic reports or “snapshots” from Cole Financial Consulting, LLC that may include investment performance information. Clients are urged to compare the official account statements and transaction confirmations received directly from the service provider with any report they may receive from Cole Financial Consulting, LLC.

## **Item 16 - Investment Discretion**

Cole Financial Consulting, LLC does not provide continuous investment management or investment supervisory services, nor do we engage in discretionary trading within a client account. The client maintains complete discretion over his or her account, investment decisions, and transactions at all times. The client retains sole responsibility for financial decisions, and is under no obligation to follow, either wholly or in part, any recommendation or suggestion provided by Cole Financial Consulting, LLC.

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

### **Proxy Voting**

Cole Financial Consulting, LLC does not vote client proxies. Clients maintain exclusive responsibility for directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, as well as making all other elections relative to mergers, acquisitions, tender offers or other events pertaining to the client's investment assets.

### **Other Corporate Actions**

Cole Financial Consulting, LLC has 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.

### **Receipt of Materials**

Clients may receive proxies or other similar solicitations sent directly from their selected custodian or transfer agent. Should we receive a duplicate copy, note that we do not generally forward these or any correspondence relating to the voting of securities, class action litigation, or other corporate actions.

## **Item 18 - Financial Information**

### **Balance Sheet**

We do not directly withdraw our fees from a client bank or investment account. Our firm will not have custody of client assets, this includes our not collecting fees of \$500 or more for services we will perform six months or more in advance.

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

### **Financial Condition**

The firm and its management do not have a financial condition likely to impair our ability to meet our commitment to our clients.

### **Bankruptcy Petitions during the Past 10 Years**

The firm and its management have not been the subject of a bankruptcy petition at any time during the past 10 years.

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

#### **Principal Executive Officers and Management Persons**

##### **Managing Member/Firm Principal/Financial Planner/Investment Advisor Representative**

Jennifer Cole, CFA<sup>1</sup>, MBA, CFP®<sup>2</sup> [Year of Birth: 1959]

**Please see the following Brochure Supplement ADV Part 2B for additional information about Jennifer J. Cole.**

Additional information about the firm, other advisory firms, or an associated representative is available at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov). A search for firms or associated personnel can be accomplished by name or firm identifier, known as an IARD number. The IARD number for Cole Financial Consulting, LLC, is 149482; Ms. Cole's reference number is 1007754.

Residents of New Mexico may obtain the business and disciplinary history of an investment advisory firm and its representatives by calling the Office of the New Mexico Securities Division at (505) 476-4580. Residents of other jurisdictions may obtain similar information by calling their states securities administrator.





Jennifer Cole, CFA, MBA, CFP®

CRD# 1007754

Cole Financial Consulting, LLC

*A New Mexico Registered Investment Advisor*

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## **Brochure Supplement ADV Part 2B**

January 11, 2019

This brochure supplement provides information about Jennifer J. Cole that supplements the Cole Financial Consulting, LLC brochure, which is in the preceding pages of this document. Please contact Jennifer J. Cole via the contact info shown above if you have any questions about the contents of this supplement. Additional information about Jennifer J. Cole is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

***Important Information:*** Throughout this document, Cole Financial Consulting, 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*.

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*This Brochure Supplement ADV Part 2B contains 4 pages and should not be considered complete without all pages.*

**Item 2 - Educational Background, Business Experience and Professional Designations**

Managing Member/Firm Principal/Financial Planner/Investment Advisor Representative

Jennifer Cole, CFA<sup>1</sup>, MBA, CFP®<sup>2</sup> [Year of Birth: 1959]

***Education***

CERTIFIED FINANCIAL PLANNER™ Practitioner (CFP®), 2012  
 Chartered Financial Analyst (CFA), 1986  
 Masters of Business Administration: Finance; New York University, 1986  
 Certificate in Financial Planning; Boston University, 2009  
 Bachelor of Science: Business Administration, Finance and Economics; Colorado State University, 1981

***Business Experience***

President and Advisor, Cole Financial Consulting, LLC	2009-Present
Director, Senior Vice President, First Union Capital Markets	1998-2000
Director, Salomon Brothers, Inc.	1996-1997
Managing Director, Bear Stearns & Co., Inc.	1991-1996
Senior Analyst, A.G. Edwards & Sons, Inc.	1988-1991
Analyst/Assistant Portfolio Manager, Goldome Capital Investments, Inc.	1986-1988
Multi-Industry Analyst, Merrill Lynch & Co., Inc.	1983-1986
Corporate Intern, Merrill Lynch & Co., Inc.	1981-1983

**Professional Designations**

<sup>1</sup>The **Chartered Financial Analyst** (CFA) charter is a professional designation established in 1962 and awarded by CFA Institute. To earn the CFA charter, candidates must pass three sequential, six-hour examinations over two to four years. The three levels of the CFA Program test a wide range of investment topics, including ethical and professional standards, equity analysis, fixed-income analysis, alternative and derivative investments, and portfolio management and wealth planning. In addition, CFA charterholders must have at least four years of acceptable professional experience in the investment decision-making process and must commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

<sup>2</sup>The **CERTIFIED FINANCIAL PLANNER™**, CFP® and federally registered CFP (with flame design) marks (collectively, the “CFP® marks”) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP Board”).

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board’s studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor’s Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board’s financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination – Pass the comprehensive CFP® Certification Examination. The examination includes case studies and client scenarios designed to test one’s ability to correctly diagnose financial planning issues and apply one’s knowledge of financial planning to real world circumstances;
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board’s *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board’s enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

### **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. Ms. Cole has not been the subject of any disciplinary action that would require disclosure.

### **Item 4 – Other Business Activities**

Ms. Cole currently has no active business activities beyond Cole Financial Consulting, LLC.

### **Item 5 - Additional Compensation**

Ms. Cole is not compensated for advisory services involving performance-based fees. She is not a senior executive of or insider to an issuer of a security. Our firm also prohibits employees from accepting or receiving additional economic benefit, such as sales awards or other prizes, for providing advisory services to its clients.

Ms. Cole is licensed as an insurance consultant by the state of New Mexico. Her insurance advisory services are part of her financial planning practice. She does not sell insurance products.

Ms. Cole 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 or other investment products, including that as a registered representative of a broker/dealer, and including distribution or service (“trail”) fees from the sale of mutual funds.

#### **Item 6 - Supervision**

Ms. Cole serves in multiple capacities with the firm: Managing Member, Firm Principal, Financial Planner, and Investment Advisor Representative, and she is responsible for the supervision of the firm’s advisory services activities and any of its staff.

The firm recognizes that not having all organizational duties segregated may potentially create a conflict of interest. To address any such potential conflicts, Cole Financial Consulting, LLC employs policies and procedures to ensure timely, accurate record keeping and supervision. Questions relative to the firm, staff, its services, or the ADV Part 2A or the ADV Part 2B (Advisory Personnel Supplemental Brochure) may be made to the attention of Ms. Cole at (505) 286-7915.

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

There have been neither arbitration awards nor any awards where the firm or Ms. Cole has been found liable in any civil, self-regulatory or administrative proceeding. Cole Financial Consulting, LLC and Ms. Cole have not been the subject of a bankruptcy petition.