

## **Free Market Financial**

**16418 Doves Canyon Lane  
Charlotte, NC 28278**

**Telephone: 980-890-7700**

**<http://www.freemarketfinancial.net>**

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### **FORM ADV PART 2A BROCHURE**

This brochure provides information about the qualifications and business practices of Free Market Financial. If you have any questions about the contents of this brochure, please contact us at 980-890-7700. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Additional information about Free Market Financial is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Free Market Financial is a registered investment adviser in Florida and Texas. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

## Item 2 Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Free Market Financial will notify clients of material changes within thirty days of the amendment of our form ADV.

You will be offered a copy of this Form ADV Part 2A annually. If you wish, you may obtain one at any other time by simply contacting our office and requesting one.

Material Changes since the firms last posting in January 2020:

Effective immediately, the only address for Free Market Financial is its corporate address, 16418 Doves Canyon Lane, Charlotte, NC 28278. The telephone number is 980-890-7700. Faxes can be sent to 336-685-8622.

### Item 3 Table of Contents

Item 1 Cover Page	Page 1
Item 2 Material Changes	Page 2
Item 3 Table of Contents	Page 3
Item 4 Advisory Business	Page 4
Item 5 Fees and Compensation	Page 6
Item 6 Performance-Based Fees and Side-By-Side Management	Page 7
Item 7 Types of Clients	Page 7
Item 8 Methods of Analysis, Investment Strategies and Risk of Loss	Page 7
Item 9 Disciplinary Information	Page 8
Item 10 Other Financial Industry Activities and Affiliations	Page 8
Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	Page 9
Item 12 Brokerage Practices	Page 9
Item 13 Review of Accounts	Page 9
Item 14 Client Referrals and other Compensation	Page 9
Item 15 Custody	Page 9
Item 16 Investment Discretion	Page 9
Item 17 Voting Client Securities	Page 10
Item 18 Financial Information	Page 10
Item 19 Requirements for State Registered Advisers	Page 10
Item 20 Additional Information	Page 11

## Item 4 Advisory Business

### Description of Services and Fees

Free Market Financial (FMF) is a registered investment adviser based in Charlotte, North Carolina. We have been providing investment advisory services since 2011. Peter Kitzerow is our principal owner. Currently, we offer the following services, which are personalized to each individual client:

- Investment Advisory Services
- Estate Planning
- Life, Disability & Long-Term Care Insurance Planning and Implementation
- Webinars & Educational Workshops

The following paragraphs describe our services and fees. Please refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. As used in this brochure, our Associated Persons are our firm's officers, employees, and all individuals providing investment advice on behalf of our firm. We refer to Associated Persons who provide investment advice as Investment Adviser Representatives ("IARs") throughout this Brochure. As used in this brochure, the words "we", "our" and "us" refer to Free Market Financial and our IARs. The words "you", "your" and "client" refer to you as either a client or prospective client of our firm.

### Investment Advisory Services

Investment advisory services typically involve providing a variety of services, principally consulting in nature, regarding the management of your financial resources based upon an analysis of those resources and your needs.

This service begins with the execution of a client agreement, an initial interview, and data gathering in an effort to determine your individual needs, goals, time horizons and risk tolerance as they relate to the services desired. Based upon the types of services desired and information provided by you, we will prepare recommendations for financial planning and investments which may include planning for long-range goals (i.e., retirement planning or college funding) or other segments of an investment plan that may be needed. If appropriate, we will offer the portfolio management services of Third-Party Asset Management Platforms (TAMP's), see below.

As part of our investment advisory services, we may recommend that you consult with us on at least an annual basis to review and update your investment and financial planning needs. It is your responsibility to follow-up and engage us for the additional services you may need.

Financial plans are based on your financial situation at the time the plan is presented and are based on financial information disclosed by you to us. You are advised that certain assumptions may be made with respect to interest and inflation rates and the use of past trends and performance of the market and economy. Past performance is in no way an indication of future performance. We cannot offer any guarantees or promises that your financial goals and objectives will be met. As your financial situation, goals, objectives, or needs change, you must notify us promptly. At any time, you are free to contact your Investment Adviser Representative to discuss your account, financial situation or investment needs.

The fee charged for financial planning will range up to \$5,000. Planning fees are payable at the beginning of the process. The plan will be delivered within 60 days.

Our hourly fee for project-based consulting is \$250.00. The complexity and scope of the project will determine the number of hours required. Hourly fees are payable upon completion of the contracted services. The services to be provided and their associated fees will be detailed in the signed agreement for said services.

Either party may terminate the investment advisory agreement by providing written notice to the other party.

### **Estate Planning**

We offer broad based estate planning services, which are wide ranging in nature, and designed to assist our clients with their estate planning issues. The service includes a complete analysis of your estate plan and offers recommendations for improvement where necessary. The analysis will cover areas such as probate fees, death taxes, income taxes, estate liquidity, cash flow, survivor benefits, asset management and control, care of minors, business succession and asset protection.

The fee we charge for estate planning services is as described above.

Either party may terminate the estate planning agreement by providing written notice to the other party. In the event of termination, you will be charged a pro rata fee based on the actual work performed.

### **Life Disability & Long-Term Care Insurance Planning and Implementation**

As part of our overall planning process, we offer a review of a client's life insurance, disability insurance and long-term care insurance portfolio. If the need exists, we offer client's additional coverage through a number of life and health insurance carriers. These insurance products are offered on a commission basis. The client is under no obligation to purchase insurance products from Free Market Financial, Inc.

The fee we charge for Life Disability & Long-Term Care Insurance Planning is as described above.

### **Webinars and Educational Workshops**

We will conduct online Webinars and Educational Workshops such as Financial Strategies for Successful Retirement, Conscious Investing for Peace of Mind, and The Long-Term Care Workshop. For in-person workshops, the firm will charge up to \$99 per couple, although often these sessions are hosted at no cost. The fee charged is for reimbursement of expenses only. Online webinars are offered at no cost.

Webinars and Educational Workshops may be designed to meet the unique needs of participants and may include presentations on investment management, debt elimination, tax reduction, estate and retirement planning strategies, pension, and general financial planning issues. Our fee for workshops may vary depending upon complexity of content and materials provided. Fees, if applicable, are outlined in the invitation or contract for services as well as our termination and refund policies. Webinar and Educational Workshop attendees are never under any obligation to do so but are welcome to engage the individualized services of our firm.

### **Third Party Asset Management Platforms (TAMPS)**

As part of our investment advisory services, we use the services of a TAMP to manage your investment portfolio. After gathering information about your financial situation and objectives, if appropriate, we will recommend that you engage one of the TAMPS we work with. Factors that we take into consideration when making our recommendation(s) include, but are not limited to, the following: the TAMP's investment philosophy, methods of analysis and fees. We will periodically monitor the TAMP's performance to ensure its management and investment style remains aligned with your investment goals and objectives.

You will be required to sign an agreement directly with the recommended TAMP. You may terminate your advisory relationship with the TAMP according to the terms of your agreement with the TAMP. You should review each TAMP's disclosure brochure for specific information on how you may terminate your advisory relationship with the TAMP and how you may receive a refund, if applicable. You should contact the MM directly for questions regarding your advisory agreement with the TAMP.

### **Types of Investments**

In the course of providing our services described above, we may offer general advice on equity securities, warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities, mutual funds, US Government securities, and interest in partnerships investing in real estate and oil and gas interests.

### **Assets Under Management**

We do not provide portfolio management services and therefore, we do not have any reportable assets under management.

## **Item 5 Fees and Compensation**

### **Additional Fees and Expenses**

FMF has material business relationships with unaffiliated money managers (TAMP's) who will collect our fee or may pay us a portion of the advisory fee that they charge. These fees do not include brokerage fees that may be assessed by the Custodian.

FMF has entered into co-advisory agreements with two Third-Party Asset Management Platforms (TAMPS): Matson Money (Matson) and EQIS Capital Management (EQIS). Both of these TAMPS are unaffiliated money managers whom we may recommend on a nondiscretionary basis, that you open an account in an advisory program offered by them. Neither FMF, nor Peter Kitzerow is employed by or licensed with Matson or EQIS. However, if we recommend Matson or EQIS to you and you select them as your account manager, with your permission, they will collect our nondiscretionary advisory fee, quarterly in advance, in the case of Matson and monthly in advance, in the case of EQIS directly from your account custodian.

Our Investment Advisory fee is based on the following schedule and applies to accounts opened in both the Matson and EQIS platforms.

Investible Assets	Fee Percentage
First \$500,000	1.00%
Next \$50,000	.75%
Next \$3,000,000	.50%
Remainder over \$4,000,000	.35%

If you are participating in the Matson Fund Platform, Matson charges no separate advisory fee of its own for the asset allocation services it provides to your account. Matson Money is compensated for its investment advice from the advisory fee embedded in the family of no-load mutual funds it advises.

If you are participating in the EQIS Platform, EQIS charges a separate advisory fee of its own for the asset allocation services it provides to your account. EQIS' fees are based on the following schedule. With the exception of one strategy that employs a mutual fund, there are no additional embedded fees.

Investible Assets	Percentage
First \$250,000	1.00%
Next \$250,000	0.90%
Next \$1,500,000	0.80%
From \$2,000,000 - \$5,000,000	0.70%
Over \$5,000,000	0.60%

### **Compensation for the Sale of Other Financial Products**

Persons providing investment advice on behalf of our firm are licensed as insurance agents. These persons will earn commission-based compensation for selling insurance products. Insurance commissions earned by these persons are separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. However, you are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

At our discretion, we may offset our advisory fees to the extent our Associated Persons earn commissions in their separate capacities as insurance agents.

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

We do not accept performance-based fees or participate in side-by-side management. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Our fees are calculated as described in the Advisory Business section above and are not charged based on a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

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

We offer investment advisory services to individuals, pension and profit-sharing plans, trusts, estates, charitable organizations, corporations, and other business entities. In general, we do not require a minimum dollar amount to retain our firm for services.

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

## **Our Methods of Analysis and Investment Strategies**

Generally, if the financial plan calls for an investment strategy, a generic (by asset class) diversified portfolio suited to your psychological and investment needs will be recommended. No specific securities or investments will be recommended as part of the financial planning process. Our investment advice will vary depending upon each client's specific financial situation.

## **Risk of Loss**

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

## **Recommendation of Particular Types of Securities**

As disclosed under the "Advisory Business" section in this Brochure, we provide general advice on a variety of securities and we do not necessarily recommend one particular type of security over another since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it.

## **Item 9 Disciplinary Information**

Our firm has been registered and providing investment advisory services since 2011. Neither our firm nor any of our management persons have any reportable disciplinary information.

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

### **Recommendation of Other Advisers**

We may recommend that you use a third-party money manager ("MM") based on your needs and suitability. We will receive compensation from the MM for recommending that you use their services.

These compensation arrangements present a conflict of interest because we have a financial incentive to recommend the services of the third-party adviser. You are not obligated, contractually or otherwise, to use the services of any MM we recommend.

Peter Kitzerow is a licensed insurance agent. To the extent insurance products are purchased through Mr. Kitzerow by advisory clients, Mr. Kitzerow will be paid a commission by the insurance company who issues the policy. This creates a conflict of interest as there is an incentive for Mr. Kitzerow to recommend insurance products based on the compensation received, rather than on the Client's needs. Notwithstanding such conflict of interest, we address our fiduciary duty by utilizing insurance products only where it is the best interest of clients, and after consultation with the client. The client always has the right to decide to act on an insurance recommendation made by Free Market Financial and Mr. Kitzerow, and if they do decide to purchase, they are free to purchase from any insurance agent of their choice.

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

### **Description of Our Code of Ethics**

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for our Associated Persons. Our goal is to protect our client's interests, at all times and to demonstrate our commitment to the fiduciary duties of honesty, good faith, and fair dealing with them. All of our Associated Persons are expected to adhere strictly to these guidelines. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm. Our Code of Ethics is available to you upon request. You may obtain a copy of our Code of Ethics by contacting Peter Kitzerow at 980-890-7700.

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

Neither our firm nor any of our Associated Persons has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this Brochure.

## **Item 12 Brokerage Practices**

We do not provide portfolio management services, nor do we recommend specific broker-dealers to clients. It is your responsibility to implement any advice we render.

## **Item 13 Review of Accounts**

Our advisory services may include advice whereby we recommend annual reviews and updates. However, we will provide annual reviews and or updates only at your request. Otherwise, we do not review any plans or other documents we provide to you. Services beyond the original engagement can be secured by signing a new or amended client agreement for an additional fee.

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

We do not receive any economic benefit from non-clients for providing investment advice or advisory services to our clients

## **Item 15 Custody**

We do not take custody of your funds or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. If you have a question regarding your account statement or if you did not receive a statement from your custodian, please contact your custodian directly.

## **Item 16 Investment Discretion**

We do not exercise discretion over any of your accounts. You have an unrestricted right to decline to implement any advice provided by our firm.

## **Item 17 Voting Client Securities**

Without exception, we will not vote proxies on behalf of your advisory accounts. If you own shares of common stock or mutual funds, you are responsible for exercising your right to vote as a shareholder. You should receive proxy materials directly from the account custodian.

## **Item 18 Financial Information**

Our firm does not have any financial conditions or impairments that would prevent us from meeting our contractual commitments to you. We do not take physical custody of client funds or securities, or serve as trustee or signatory for client accounts, and, we do not require the prepayment of more than \$500 in fees six or more months in advance. Therefore, we are not required to include a financial statement with this brochure.

Due to economic uncertainty related to the Coronavirus in 2020, we were a recipient of a Paycheck Protection Program Loan provided under the CARES Act. The aforementioned revenue was used to pay operational expenses including employee salaries, rent, and utilities.

## **Item 19 Requirements for State Registered Advisers**

Refer to the Part(s) 2B for background information about management personnel and those giving advice on behalf of our firm.

Our firm is engaged in the businesses of rendering investment advice, financial planning and the sale of fixed annuities, life, disability, and long-term care insurance. At the present time, most of our revenue is derived from the sale of insurance products.

Neither our firm, nor any persons associated with our firm are compensated for advisory services with performance-based fees. Please refer to the "Performance-Based Fees and Side-By-Side Management" section above for additional information on this topic.

Neither our firm, nor any of our Associated Persons have a material relationship or arrangement with any issuer of securities.

## **Item 20 Additional Information**

### **Your Privacy**

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.