

Iron River Capital LLC d/b/a  
**Connolly Financial**  
Firm Brochure - Form ADV Part 2A

*This brochure provides information about the qualifications and business practices of Connolly Financial. If you have any questions about the contents of this brochure, please contact us at (505) 716-4277 or by email at: [support@connolly-financial.com](mailto:support@connolly-financial.com). 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 Connolly Financial is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Connolly Financial's CRD number is: 173307.*

108 N. Behrend Avenue, Suite K  
Farmington, NM 87401  
(505) 716-4277  
[support@connolly-financial.com](mailto:support@connolly-financial.com)  
[www.connolly-financial.com](http://www.connolly-financial.com)

*Registration as an investment adviser does not imply a certain level of skill or training.*

Version Date: 01/23/2020

## **Item 2: Material Changes**

The material changes in this brochure from the last annual updating amendment of Connolly Financial on 01/21/2019 are described below. Material changes relate to Connolly Financial policies, practices or conflicts of interests only.

- Connolly Financial has updated selection of other advisers and brokerage practices to add American Funds Distributors, Inc. (Item 5, Item 10).
- Shaun Michael Connolly is no longer a registered representative with Regulus Advisors, LLC. (Item 5 and Item 10 of the 2A) (Item 2 and Item 4 of the 2B)
- Connolly Financial has updated fees and compensation (Item 5).

## Item 3: Table of Contents

### Form ADV Part 2A

Item 1: Cover Page	i
Item 2: Material Changes.....	i
Item 3: Table of Contents.....	ii
Item 4: Advisory Business.....	4
A. Description of the Advisory Firm.....	4
B. Types of Advisory Services.....	4
C. Client Tailored Services and Client Imposed Restrictions.....	6
D. Wrap Fee Programs.....	6
E. Assets Under Management.....	6
Item 5: Fees and Compensation.....	7
Item 6: Performance-Based Fees and Side-By-Side Management.....	10
Item 7: Types of Clients.....	10
Item 8: Methods of Analysis, Investment Strategies, and Risk of Investment Loss.....	10
A. Methods of Analysis and Investment Strategies.....	10
B. Material Risks Involved.....	11
C. Risks of Specific Securities Utilized.....	11
Item 9: Disciplinary Information.....	12
Item 10: Other Financial Industry Activities and Affiliations.....	13
A. Registration as a Broker/Dealer or Broker/Dealer Representative.....	13
B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor.....	13
C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests.....	13
D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections.....	13
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	13
A. Code of Ethics.....	14
B. Recommendations Involving Material Financial Interests.....	14
C. Investing Personal Money in the Same Securities as Clients.....	14
D. Trading Securities At/Around the Same Time as Clients' Securities.....	15
Item 12: Brokerage Practices.....	15
A. Factors Used to Select Custodians and/or Broker/Dealers.....	15
1. Research and Other Soft-Dollar Benefits.....	15
2. Brokerage for Client Referrals.....	16
3. Clients Directing Which Broker/Dealer/Custodian to Use.....	16
B. Aggregating (Block) Trading for Multiple Client Accounts.....	16
Item 13: Reviews of Accounts.....	16
A. Frequency and Nature of Periodic Reviews.....	16

B.	Factors That Will Trigger a Non-Periodic Review of Client Accounts .....	16
C.	Content and Frequency of Regular Reports Provided to Clients.....	17
Item 14:	Client Referrals and Other Compensation .....	17
A.	Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes).....	17
B.	Compensation to Non - Advisory Personnel for Client Referrals.....	17
Item 15:	Custody .....	17
Item 16:	Investment Discretion.....	18
Item 17:	Voting Client Securities (Proxy Voting).....	18
Item 18:	Financial Information.....	18
A.	Balance Sheet.....	18
B.	Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients .....	18
C.	Bankruptcy Petitions in Previous Ten Years .....	18
Item 19:	Requirements For State Registered Advisers .....	19
A.	Principal Executive Officers and Management Persons; Their Formal Education and Business Background .....	19
B.	Other Businesses in Which This Advisory Firm or its Personnel are Engaged and Time Spent on Those (If Any).....	19
C.	Calculation of Performance-Based Fees and Degree of Risk to Clients .....	19
D.	Material Disciplinary Disclosures for Management Persons of this Firm .....	19
E.	Material Relationships That Management Persons Have With Issuers of Securities (If Any) .....	19
Shaun Michael Connolly	.....	20
Item 2:	Educational Background and Business Experience .....	21
Item 3:	Disciplinary Information .....	21
Item 4:	Other Business Activities.....	22
Item 5:	Additional Compensation.....	22
Item 6:	Supervision .....	22
Item 7:	Requirements For State Registered Advisers.....	22

## Item 4: Advisory Business

### *Business Description*

We provide services to individuals and high-net-worth individuals concerning mutual funds, fixed income securities, insurance products including annuities, equities, ETFs, and treasury inflation protected/inflation linked bonds. As a registered investment adviser, we are held to the highest standard of client care – a fiduciary standard. As a fiduciary, we always put our client’s interests first and must fully disclose any potential conflict of interest. We do not hold customer funds or securities.

### **A. Description of the Advisory Firm**

Iron River Capital LLC d/b/a Connolly Financial (hereinafter “CF”) is a Limited Liability Company organized in the State of New Mexico.

The firm was formed in October 2014, and the principal owners are Shaun Connolly and Kereth Connolly.

### **B. Types of Advisory Services**

#### *Portfolio Management Services*

CF offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. CF creates an Investment Policy Statement for each client, which outlines the client’s current situation (income, tax levels, and risk tolerance levels) and then constructs a plan to aid in the selection of a portfolio that matches each client's specific situation. Portfolio management services include, but are not limited to, the following:

- Determine investment strategy
- Personal investment policy
- Asset allocation
- Asset selection
- Assessment of risk tolerance
- Regular portfolio monitoring

CF evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. CF will require discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

CF seeks to provide that investment decisions are made in accordance with the fiduciary duties owed to its accounts and without consideration of CF's economic, investment or other financial interests. To meet its fiduciary obligations, CF attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain client portfolios, and accordingly, CF's policy is to seek fair and equitable allocation of investment opportunities/transactions among its clients to avoid favoring one client over another over time. It is CF's policy to allocate investment opportunities and transactions it identifies as being appropriate and prudent among its clients on a fair and equitable basis over time.

CF offers a complimentary e-newsletter and complimentary educational workshops to clients as part of their portfolio management service.

### ***Account Monitoring Services***

CF offers ongoing account monitoring services to client retirement plans (including but not limited to 401(k) plans) based on the goals, objectives, time horizon, and/or risk tolerance of the client.

### ***Selection of Other Advisers***

CF may direct clients to third-party investment advisers to manage all or a portion of the client's assets. Before selecting other advisers for clients, CF will always ensure those other advisers are properly licensed or registered as an investment adviser. CF conducts due diligence on any third-party investment adviser, which may involve one or more of the following: phone calls, meetings and review of the third-party adviser's performance and investment strategy. CF will review the ongoing performance of the third-party adviser as a portion of the client's portfolio.

### ***Financial Planning***

Financial plans and financial planning may include but are not limited to: investment planning; life insurance; tax concerns; retirement planning; college planning; and debt/credit planning.

### ***Services Limited to Specific Types of Investments***

CF generally limits its investment advice to mutual funds, fixed income securities, insurance products including annuities, equities, ETFs, and treasury inflation protected/inflation linked bonds. CF may use other securities as well to help diversify a portfolio when applicable.

### **C. Client Tailored Services and Client Imposed Restrictions**

CF will tailor a program for each individual client. This will include an interview session to get to know the client's specific needs and requirements as well as a plan that will be executed by CF on behalf of the client. CF may use "model allocations" together with a specific set of recommendations for each client based on their personal restrictions, needs, and targets. Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs, which restrictions will be documented in the Investment Policy Statement. However, if the restrictions prevent CF from properly servicing the client account, or if the restrictions would require CF to deviate from its standard suite of services, CF reserves the right to end the relationship.

### **D. Wrap Fee Programs**

A wrap fee program is an investment program wherein the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and any other administrative fees. CF does not participate in any wrap fee programs.

### **E. Assets Under Management**

CF has the following assets under management:

<b>Discretionary Amounts:</b>	<b>Non-discretionary Amounts:</b>	<b>Date Calculated:</b>
\$13,500,000.00	\$0.00	May 2019

## Item 5: Fees and Compensation

### *Portfolio Management Fees*

Total Assets Under Management	Annual Fee
\$0 - \$500,000	1.50%
\$500,001 - \$1,000,000	1.35%
\$1,000,001 - \$2,000,000	1.20%
\$2,000,000 and up	0.95%

**\*Additionally, NM-based clients will be charged the Gross Receipts Tax**

These fees are generally negotiable, and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract. There is a \$500 per quarter minimum management fee. This minimum management fee does not apply to clients who signed their advisory contract before May 2019. Clients may terminate the agreement without penalty for a full refund of CF's fees within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract generally with 30 days' written notice.

CF client accounts custodied through Trade PMR are billed in advance based on the balance on the first day of the billing period and CF collects fees in advance for client accounts custodied through Trade PMR. In the event of termination, for all asset-based fees paid in advance, the fee refunded will be equal to the balance of the fees collected in advance minus the daily rate\* times the number of days elapsed in the billing period up to and including the day of termination. (\*The daily rate is calculated by dividing the annual asset-based fee rate by 365.) Asset-based portfolio management fees are withdrawn directly from the client's accounts with client's written authorization on a quarterly basis; please see Item 15 for additional details on direct fee deduction.

### ***Selection of Other Advisers Fees***

CF may direct clients to SEI Private Trust Company, American Funds Distributors, Inc. or Interactive Brokers, LLC.

<b>Total Assets Under Management</b>	<b>Annual Fee</b>
\$0 - \$500,000	1.50%
\$500,001 - \$1,000,000	1.35%
\$1,000,001 - \$2,000,000	1.20%
\$2,000,000 and up	0.95%

CF will receive its standard fee on top of any fee paid to the third party adviser. The fees will not exceed any limit imposed by any regulatory agency. These fees are generally negotiable, and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract. However, there is a \$500 per quarter minimum fee. This minimum management fee does not apply to clients who signed their advisory contract before May 2019. Clients may terminate the agreement without penalty for a full refund of CF's fees within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract generally with 30 days' written notice.

Client accounts custodied through SEI Private Trust are billed in arrears based on the balance on the last day of the billing period and fees are collected in arrears for client accounts custodied through SEI Private Trust. Client accounts managed through Interactive Brokers, LLC are billed quarterly in advance based on the balance on the last day of the month immediately prior to the billing date and fees are collected in advance. In the event of termination, fixed fees that are collected in advance will be refunded based on the prorated amount of work completed at the point of termination. Advisory fees are withdrawn directly from the client's accounts with client's written authorization on a quarterly basis; please see Item 15 for additional details on direct fee deduction.

Client accounts managed through Interactive Brokers, LLC are billed quarterly in arrears based on the daily average account balance and fees are collected at the beginning of the following quarter. Interactive Brokers, LLC uses 252 business days per year in calculation of the daily average, based on Percentage of Net Liquidation Value entered as an annualized percentage, applied on a daily basis.

### ***Account Monitoring Services Fees***

<b>Total Assets Monitored</b>	<b>Annual Fee</b>
All assets	up to 1.00%

This fee is negotiable and the final fee schedule is included in the Client Agreement and Disclosure Monitoring Service ("Client Agreement"). There is a \$500 per quarter minimum management fee. This minimum management fee does not apply to clients who signed their advisory contract before May 2019. Clients may terminate the agreement without penalty for a full refund of CF's fees within five business days of signing the Client Agreement. Thereafter, clients may terminate the Client Agreement generally with 30 days' written notice.

Account Monitoring Service Fees are payable quarterly and upon deposit of any funds or securities in the client's account. The first payment is due upon acceptance of the Client Agreement by CF and will be based upon the opening value of the client's account. The first payment will be prorated to cover the period from the date the client's account is open through the end of the current calendar quarter. Thereafter, the fee will be based on the fair market value of the assets in the client's account on the last business day of the preceding calendar quarter as calculated by the present custodian and will be due in advance on the first business day of the current calendar quarter. In the event of termination, for all asset-based fees paid in advance, the fee refunded will be equal to the balance of the fees collected in advance minus the daily rate\* times the number of days elapsed in the billing period up to and including the day of termination. (\*The daily rate is calculated by dividing the annual asset-based fee rate by 365.)

Fees are either withdrawn directly from the client's Asset-Based Portfolio Management account with client's written authorization or are paid via check. Please see Item 15 for additional details on direct fee deduction.

### ***Financial Planning Fees***

#### **Fixed Fees**

The negotiated fixed rate for creating client financial plans is between \$1,000 and \$10,000. Fees are charged 25% in advance, but never more than six months in advance, with the remainder due upon presentation of the plan.

#### **Hourly Fees**

The negotiated hourly fee for these services is between \$125 and \$200. Fees are charged in arrears upon completion.

Clients may terminate the agreement without penalty for a full refund of CF's fees within five business days of signing the Financial Planning Agreement. Thereafter, clients may terminate the Financial Planning Agreement generally upon written notice. For financial planning contracts terminated prior to completion, clients will be responsible for paying the earned, but unpaid advisory fee based upon the hourly rate and the number of hours worked.

### ***Refunds & Third Party Fees***

Refunds for unearned fees paid in advance will be returned within fourteen days to the client via check, or return deposit back into the client's account.

Clients are responsible for the payment of all third party fees (i.e., commissions, custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by CF. Please see Item 12 of this brochure regarding broker/custodian.

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

CF does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

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

CF generally provides advisory services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Trusts
- ❖ IRC sundry accounts

There is a \$500 per quarter minimum management fee that CF may waive at its discretion.

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

### **A. Methods of Analysis and Investment Strategies**

#### ***Methods of Analysis***

CF's methods of analysis include fundamental analysis and technical analysis.

**Fundamental analysis** involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

**Technical analysis** involves the analysis of past market data; primarily price and volume.

#### ***Investment Strategies***

CF uses long term trading.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **B. Material Risks Involved**

### ***Methods of Analysis***

**Fundamental analysis** concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

**Technical analysis** attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not work long term.

### ***Investment Strategies***

**Long term trading** is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

**Selection of Other Advisers:** Although CF will seek to select only money managers who will invest clients' assets with the highest level of integrity, CF's selection process cannot ensure that money managers will perform as desired and CF will have no control over the day-to-day operations of any of its selected money managers. CF would not necessarily be aware of certain activities at the underlying money manager level, including without limitation a money manager's engaging in unreported risks, investment "style drift" or even regulator breach or fraud.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **C. Risks of Specific Securities Utilized**

Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below (leaving aside Treasury Inflation Protected/Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.

**Mutual Funds:** Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond “fixed income” nature (lower risk) or stock “equity” nature.

**Equity** investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

**Fixed income** investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best-known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

**Exchange Traded Funds (ETFs):** An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance.

**Variable annuities** are a retirement product for those who may have the ability to pay a premium now and want to guarantee they receive certain monthly payments or a return on investment later in the future. Annuities are contracts issued by a life insurance company designed to meet requirement or other long-term goals. An annuity is not a life insurance policy. Variable annuities are designed to be long-term investments, to meet retirement and other long-range goals. Variable annuities are not suitable for meeting short-term goals because substantial taxes and insurance company charges may apply if you withdraw your money early. Variable annuities also involve investment risks, just as mutual funds do.

**Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## Item 9: Disciplinary Information

There is no criminal, civil, administrative, or self-regulatory organization proceedings to report.

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

### **A. Registration as a Broker/Dealer or Broker/Dealer Representative**

Neither CF nor its representatives are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer.

### **B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor**

Neither CF nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

### **C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests**

Shaun Michael Connolly is a radio host.

John Kenneth Matthews is the CEO of Matthews Virtual Family Office.

John Kenneth Matthews is a managing member of The Cut Barbershop, LLC.

### **D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections**

CF may direct clients to third-party investment advisers to manage all or a portion of the client's assets. Clients will pay CF its standard fee in addition to the standard fee for the advisers to which it directs those clients. This relationship will be memorialized in each contract between CF and each third-party advisor. The fees will not exceed any limit imposed by any regulatory agency. CF will always act in the best interests of the client, including when determining which third-party investment adviser to recommend to clients. CF will ensure that all recommended advisers are licensed, or notice filed in the states in which CF is recommending them to clients.

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

## **A. Code of Ethics**

CF has a written Code of Ethics that covers the following areas:

- Prohibited Purchases and Sales
- Compliance Procedures
- Insider Trading
- Personal Securities Transactions
- Exempted Transactions
- Prohibited Activities
- Conflicts of Interest
- Gifts and Entertainment
- Confidentiality
- Service on a Board of Directors
- Compliance with Laws and Regulations
- Procedures and Reporting
- Certification of Compliance
- Reporting Violations
- Compliance Officer Duties
- Training and Education
- Recordkeeping
- Annual Review
- Sanctions

CF will do everything to mitigate conflicts of interest by (i) disclosing to the client any conflict of interest and (ii) always acting in the best interest of the client consistent with its fiduciary duty. ALL PROSPECTIVE AND CURRENT CLIENTS HAVE A RIGHT TO SEE THIS CODE OF ETHICS. FOR A COPY OF THE CODE OF ETHICS, PLEASE ASK US AT ANY TIME.

## **B. Recommendations Involving Material Financial Interests**

CF does not recommend that clients buy or sell any security in which a related person to CF or CF has a material financial interest.

## **C. Investing Personal Money in the Same Securities as Clients**

From time to time, representatives of CF may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of CF to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. CF will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

## **D. Trading Securities At/Around the Same Time as Clients' Securities**

From time to time, representatives of CF may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of CF to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, CF will never engage in trading that operates to the client's disadvantage if representatives of CF buy or sell securities at or around the same time as clients.

## **Item 12: Brokerage Practices**

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

Custodians will be recommended based on CF's duty to seek "best execution," which is the obligation to seek execution of securities transactions for a client on the most favorable terms for the client under the circumstances. Clients will not necessarily pay the lowest commission or commission equivalent, and CF may also consider the market expertise and research access provided by the custodian, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the custodian that may aid in CF's research efforts. CF will never charge a premium or commission on transactions, beyond the actual cost imposed by the custodian.

CF recommends Trade-PMR, Inc., SEI Advisor Network, American Funds Distributors, Inc. and Interactive Brokers, LLC.

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

While CF has no formal soft dollars program in which soft dollars are used to pay for third party services, CF may receive research, products, or other services from custodians and broker-dealers in connection with client securities transactions ("soft dollar benefits"). CF may enter into soft-dollar arrangements consistent with (and not outside of) the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended. There can be no assurance that any particular client will benefit from soft dollar research, whether or not the client's transactions paid for it, and CF does not seek to allocate benefits to client accounts proportionate to any soft dollar credits generated by the accounts. CF benefits by not having to produce or pay for the research, products or services, and CF will have an incentive to recommend a broker-dealer based on receiving research or services. This constitutes a conflict of interest; however, this conflict is mitigated because soft dollar benefits can help CF in its portfolio management and CF will always act in the best interest of its clients, including in connection with selecting custodians. Clients should be aware that CF's acceptance of soft dollar benefits may result in higher commissions charged to the client.

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

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

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

CF will require clients to use a specific custodian. Not all investment advisers require a specific custodian or broker-dealer.

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

If CF buys or sells the same securities on behalf of more than one client, it might, but would be under no obligation to, aggregate or bunch, to the extent permitted by applicable law and regulations, the securities to be purchased or sold for multiple Clients in order to seek more favorable prices, lower brokerage commissions or more efficient execution. In such case, CF would place an aggregate order with the broker on behalf of all such clients in order to ensure fairness for all clients; provided, however, that trades would be reviewed periodically to ensure that accounts are not systematically disadvantaged by this policy. CF would determine the appropriate number of shares to place with brokers and will select the appropriate brokers consistent with CF's duty to seek best execution, except for those accounts with specific brokerage direction (if any).

## **Item 13: Reviews of Accounts**

### **A. Frequency and Nature of Periodic Reviews**

All client accounts for CF's advisory services provided on an ongoing basis are reviewed at least quarterly by Shaun Connolly, Managing Member with regard to clients' respective investment policies and risk tolerance levels. All accounts at CF are assigned to this reviewer.

All financial planning accounts are reviewed upon financial plan creation and plan delivery by Shaun Connolly, Managing Member. There is only one level of review for financial planning, and that is the total review conducted to create the financial plan.

### **B. Factors That Will Trigger a Non-Periodic Review of Client Accounts**

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

With respect to financial plans, CF's services will generally conclude upon delivery of the financial plan.

### **C. Content and Frequency of Regular Reports Provided to Clients**

CF does not provide regular written reports to clients, though the custodian will send quarterly account statements.

Each financial planning client will receive the written financial plan upon completion.

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

### **A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)**

CF does not receive any economic benefit, directly or indirectly from any third party for advice rendered to CF's clients.

### **B. Compensation to Non – Advisory Personnel for Client Referrals**

CF may, via written arrangement, retain third parties to act as solicitors for CF's investment management services. All compensation with respect to the foregoing will be fully disclosed to each client to the extent required by applicable law. CF will ensure each solicitor is properly registered in all appropriate jurisdictions.

## **Item 15: Custody**

Client assets will be held by an unaffiliated, qualified custodian, such as a bank, broker/dealer (e.g. Trade-PMR, Inc.), mutual fund companies or transfer agent. Client assets are not held by our advisory firm or any associate of our firm. Trade-PMR, Inc. acts as an introducing broker clearing on a fully-disclosed basis through First Clearing LLC. for CF.

For advisory fees deducted directly from client accounts, in states that require it, CF will:

(A) Possess written authorization from the client to deduct advisory fees from an account held by a qualified custodian.

(B) Utilize a custodian that sends at least quarterly statements reflecting all additions and deductions, including the amount of advisory fees.

(C) Send the qualified custodian written notice of the amount of the fee to be deducted and send the client a written invoice upon or prior to fee deduction itemizing the fee, including the formula used to calculate the fee, the time period covered by the fee, and the amount of assets under management on which the fee was based.

Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy.

### **Item 16: Investment Discretion**

CF provides discretionary portfolio management services to clients. The Investment Advisory Contract established with each client sets forth the discretionary authority for trading. Because investment discretion has been granted, CF generally manages the client's account and makes investment decisions without consultation with the client as to when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, what securities to buy or sell, or the price per share. In some instances, CF's discretionary authority in making these determinations may be limited by conditions imposed by a client (in investment guidelines or objectives, or client instructions otherwise provided to CF).

### **Item 17: Voting Client Securities (Proxy Voting)**

CF will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

### **Item 18: Financial Information**

#### **A. Balance Sheet**

CF neither requires nor solicits prepayment of more than \$500 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

#### **B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients**

Neither CF nor its management has any financial condition that is likely to reasonably impair CF's ability to meet contractual commitments to clients.

#### **C. Bankruptcy Petitions in Previous Ten Years**

CF has not been the subject of a bankruptcy petition in the last ten years.

## **Item 19: Requirements For State Registered Advisers**

### **A. Principal Executive Officers and Management Persons; Their Formal Education and Business Background**

CF currently has only one management person: Shaun Michael Connolly. Education and business background can be found on the individual's Form ADV Part 2B brochure supplement.

### **B. Other Businesses in Which This Advisory Firm or its Personnel are Engaged and Time Spent on Those (If Any)**

Other business activities for each relevant individual can be found on the Form ADV Part 2B brochure supplement for each such individual.

### **C. Calculation of Performance-Based Fees and Degree of Risk to Clients**

CF does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

### **D. Material Disciplinary Disclosures for Management Persons of this Firm**

There are no civil, self-regulatory organization, or arbitration proceedings to report under this section.

### **E. Material Relationships That Management Persons Have With Issuers of Securities (If Any)**

Neither CF, nor its management persons, has any relationship or arrangement with issuers of securities.

*This brochure supplement provides information about Shaun Michael Connolly that supplements the Connolly Financial brochure. You should have received a copy of that brochure. Please contact Shaun Michael Connolly if you did not receive Connolly Financial's brochure or if you have any questions about the contents of this supplement.*

*Additional information about Shaun Michael Connolly is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

## **Connolly Financial**

### **Form ADV Part 2B – Individual Disclosure Brochure**

*for*

Shaun Michael Connolly  
Personal CRD Number: 5683055  
Investment Adviser Representative

Connolly Financial  
108 N. Behrend Avenue, Suite K  
Farmington, NM 87402  
(505) 716-4277  
[support@connolly-financial.com](mailto:support@connolly-financial.com)

## Item 2: Educational Background and Business Experience

**Name:** Shaun Michael Connolly **Born:** 1977

### **Educational Background and Professional Designations:**

#### **Education:**

BA, Michigan State University - 2001

#### **Business Background:**

12/2014 - Present	Managing Member Iron River Capital LLC d/b/a Connolly Financial
06/2009 - Present	Managing Director Connolly Financial LLC
12/2016 - 12/2019	Registered Representative Regulus Advisors, LLC
09/2014 - 12/2014	Financial Advisor Sterne Agee Financial Services, Inc.
05/2011 - 09/2014	Financial Advisor WRP Investments, Inc.
06/2009 - 05/2011	Financial Advisor MML Investors Services, LLC

## Item 3: Disciplinary Information

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of this advisory business.

#### **Item 4: Other Business Activities**

Shaun Michael Connolly is a radio host.

#### **Item 5: Additional Compensation**

Shaun Michael Connolly does not receive any economic benefit from any person, company, or organization, other than Connolly Financial in exchange for providing clients advisory services through Connolly Financial.

#### **Item 6: Supervision**

Shaun Michael Connolly is a co-owner and co-supervisor of Connolly Financial, and works closely with co-supervisor Kereth Connolly. Kereth Connolly can be reached at (505) 716-4277. Shaun Michael Connolly adheres to all required regulations regarding the activities of an Investment Adviser Representative and follows all policies and procedures outlined in the firm's policies and procedures manual, including the Code of Ethics, and appropriate securities regulatory requirements.

#### **Item 7: Requirements For State Registered Advisers**

*This disclosure is required by New Mexico state securities authorities and is provided for your use in evaluating this investment advisor representative's suitability.*

Shaun Michael Connolly has no civil, administrative, or self-regulatory organization proceedings or arbitrations to report. Shaun Michael Connolly has not been the subject of a bankruptcy petition.