

Koch Financial Partners, LLC

A State of Oregon Registered Investment Adviser

Form ADV Part 2A

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This brochure provides information about the business practices of Koch Financial Partners, LLC, and the qualifications of the adviser(s) at Koch Financial Partners, LLC. The information in this brochure has not been approved by the Securities and Exchange Commission (“SEC”) or any state securities authority. Registration of the firm or its personnel with the SEC or any state does not imply a certain level of skill or training. If you have any questions about the contents of this brochure, please contact Shawn Koch at (503) 505-5868 or shawn@kochfinancialpartners.com.

Additional information about Koch Financial Partners, LLC is available on the SEC’s website at www.adviserinfo.sec.gov. Click on the “Investment Adviser Search” link and then search for “Investment Adviser Firm” using the firm’s IARD number, which is 153400.

Item 2 - Material Changes

2017 - No material changes.

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Item 4 – Advisory Business

Koch Financial Partners, LLC (“KFP”) was founded as a Registered Investment Adviser firm in Oregon in 2010. Shawn Koch, JD, CFP® is the founder, owner and principal of the firm.

KFP provides fee-only financial planning and investment advice. We charge either an hourly fee, or a flat fee based on our hourly rate and the number of hours estimated for the project. The hourly rate is \$200 per hour.

We provide assistance to people from all walks of life, and specialize in retirement planning and investment advice. We tailor our services to the unique needs of individual clients.

An estimated 50% of our activities involve providing investment advice. An estimated 50% of our activities involve providing financial planning advice, which may include cash flow planning, tax planning, insurance planning, estate planning, retirement planning and education funding planning.

Investment advice process – We meet with the client and gather information about the client’s financial situation, needs, objectives, goals and risk tolerance. This initial “get acquainted” meeting is at no cost or obligation to the client. If hired, we then analyze the data and perform investment research for the client. If hired to provide investment advice, we assess the client’s risk tolerance and make an asset allocation recommendation, providing specific investment recommendations for each of the asset allocation categories. We provide these either in a report or email follow up to our recommendation presentation. KFP never takes control of client accounts, so it is the responsibility of the clients to implement the recommendations. We remain available to the client for a few weeks after the presentation meeting to address any questions the client may have. At the end of this follow up period, the client-adviser relationship is concluded. We encourage clients to engage us to review the asset allocation each year, but re-engagement is solely initiated by the client.

Financial planning process – The financial planning process is similar to the investment advice process, except that we are working with planning areas other than investments. We similarly meet with the client and gather data, and then we analyze and make written recommendations, either in a report or email follow up to our meeting. We remain available to the client for a few weeks after presenting the recommendations for any questions. At that time, the planner-client relationship is concluded. The clients are encouraged to engage our services again when there are additional questions or adjustments are needed, but re-engagement is solely initiated by the client.

Item 5 - Fees and Compensation

KFP charges on a fee-only basis, either an hourly or a flat fee. Flat fees are most common and are based upon the estimated number of hours it will take to complete the project. Hourly fees or flat fee estimates are based on an hourly rate of \$200 per hour. KFP will negotiate individual fees, or offer discounts to members of various groups, solely at its discretion.

The only income KFP receives is from clients directly for hourly or flat fee services. We do not accept commissions, nor do we accept referral, soft dollar, or any other types of fees.

KFP provides an estimate of the project fees in its contract up front, and the project will not exceed the estimate. KFP obtains a deposit of the lesser of \$500 or one-half of the estimated total cost of the project. The balance of the fee is due at the time of presentation of the financial planning and/or investment recommendation findings. Either party may terminate the agreement upon notice within 5 days of its signing. At that time, the deposit is returned in full. If the client terminates the contract after this date, they are responsible for any fees incurred prior to termination.

Typical projects are:

Small Engagement - After an initial meeting, we research and provide clients our verbal or informal written recommendations in a follow up meeting. These are typically small engagements of 4-8 hours.

Retirement readiness review - This engagement involves more extensive research and reporting, which includes retirement investment recommendations and retirement cash flow projections. Depending on the complexity and additional areas the client may want reviewed, this project may take 10-15 hours.

Large projects, or large and complex portfolio reviews and investment recommendations - This type of project typically requires 14-18 project hours.

Annual review - We encourage annual reviews to rebalance accounts and to address changes needed to the original plan. All annual or periodic reviews are initiated by the client. Annual reviews are typically 3-6 hours.

The client will incur additional fees charged by mutual fund and/or exchange traded funds, transaction fees, and other investment-related fees. We encourage our clients to review investment prospectuses for a complete schedule of fees from their brokerage firm.

Item 6 – Performance-Based Fees and Side-By-Side Management

KFP does not charge any performance-based fees or management fees. Our only income is from the hourly or flat fee based services we provide. We do not provide investment management services. Therefore, issues related to side-by-side management are not applicable.

Item 7 – Types of Clients

KFP provides services primarily to individuals. We also provide services to trusts, estates, and business entities. We do not require any minimums regarding assets, income, net worth, length of engagement, revenues generated or other conditions for our services. Clients can hire us for a limited engagement or for a multi-part plan.

Our typical client is nearing retirement or planning for retirement, and is seek retirement planning and investment advice services. We emphasize:

- Retirement planning, both asset accumulation and retirement income stream planning;
- Advising fiduciaries of trusts and estates on investments and asset allocation;
- Financial planning for unmarried couples;
- Planning assistance for those undergoing life changes such as death of a partner or divorce;
- Employee benefit plan questions, including 401(k) plan investment allocation, health plans and stock plans;
- General financial planning, including budgeting and college funding planning.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

KFP primarily advocates a fundamental, long-term buy and hold philosophy when providing investment advice. This will vary if a client has a short-term investment horizon. KFP primarily recommends low-cost, no-load mutual funds. We recommend a mix of actively managed and passive (index) funds. Recommendations are based on publicly available reports, analysis, research materials, and various subscription services. KFP believes that mutual funds are the best investment vehicles for most clients, but may advise clients regarding investing in individual securities where appropriate. KFP does not provide advice on option strategy for stock trading (i.e. puts or calls).

When KFP is retained to give financial or investment advice, we first evaluate the client's current financial situation, needs, goals, objectives and risk tolerance. KFP will then provide asset allocation and investment recommendations to help clients achieve their overall financial objectives, while attempting to minimize risk exposure. KFP believes that asset allocation is the primary determinate of portfolio returns and is critical to achieving financial objectives.

Asset allocation is a key component of investment portfolio design. We believe that the appropriate allocation of assets across diverse investment categories is critical to the long-term success of one's financial objectives. We recommend that the portfolio be maintained by rebalancing at least annually, or as other circumstances dictate. Rebalancing assistance is offered, but is solely client initiated.

KFP aims to design an investment strategy that potentially may produce the highest return for a given level of risk. Some investment recommendations by us may result in loss, including original principal amount invested. The client must be able to bear the various risks of investing, which may include market risk, liquidity risk, interest rate risk, currency risk, or political risk, among others.

Item 9 – Disciplinary Information

Neither KFP nor any of its personnel have been the subject of a reportable legal or disciplinary event.

Item 10 – Other Financial Industry Activities and Affiliations

Neither KFP nor its personnel are affiliated with or maintain a material relationship with another financial industry (accounting, legal, insurance, pension, real estate, or limited partnership) entity. Our policies require that we conduct business activities in a manner that avoids actual or potential conflicts of interest between the firm, personnel, and the client, or that otherwise may be contrary to law. We will provide disclosure to the client, prior to and throughout the term of an engagement, of any conflicts of interest which may reasonably compromise our impartiality or independence.

Shawn Koch is a member of the National Association of Personal Financial Advisers (“NAPFA”), and the Garrett Planning Network (“GPN”). NAPFA and GPN are national associations of independent, fee-only financial advisers.

Item 11 – Code of Ethics

KFP has adopted a code of ethics that sets forth the basic policies of ethical conduct for all persons associated with the firm. We accept the obligation not only to comply with the mandates and requirements of all applicable laws and regulation, but also to take responsibility to act in an ethical and professionally responsible manner in all professional services and activities. Upon request, we will provide a copy of our code of ethics to any client or prospective client.

Neither KFP nor any of its personnel are authorized to recommend a transaction for a client involving any security in which the firm or a related party has a material financial interest. Additionally, we are prohibited from borrowing from or lending to a client, unless that client is an approved financial institution or is an immediate family member. In such instances, authorization for the loan must be granted in advance and documented in writing.

At times, personnel and related parties may hold positions in investments that are also recommended to the client. We may make recommendations or take actions with respect to investments that may differ in the nature or timing from recommendations made to, or actions taken for, other clients or personnel. However, at no time will the personnel or any related party receive preferential treatment over the client.

Item 12 – Brokerage Practices

KFP is not affiliated with any bank, custodian or brokerage firm. If we are engaged to provide investment advice, we will offer to use the service of provider where the client's assets are maintained if the current provider offers no-load funds. If the client has no service provider in mind, we will recommend one based on the need, overall cost and ease of use for the client.

Our policy is to restrict any non-cash compensation, or soft dollars, that we may receive from a service provider to only that which enhances our ability to render quality advice and service to the client. An example of this is having access to an investment analysis tool any advisor can access, regardless of the investments they recommend. Although we may recommend one or more service providers that charge a fee to the client, we derive no special benefit from doing so, nor do we "pay up" to receive additional services.

The only compensation we receive is in the form of hourly fees or flat fees paid directly to us by the client. Therefore, we do not receive any additional compensation when the client engages a recommended brokerage firm or other service provider.

Because KFP does not handle trades, we are not in a position to aggregate trades. Therefore, trade aggregation is inapplicable to our firm.

We do not require or engage in directed brokerage activities involving our accounts. We will seek services at competitive rates, while also taking into account the full range of services provided, but that may not correlate to the lowest possible rate for every transaction.

Item 13 – Review of Accounts

KFP does not provide continuous monitoring of its financial planning and investment advice services. Periodic reviews are recommended and it is the client's responsibility to initiate these reviews.

Item 14 – Client Referrals and Other Compensation

KFP does not receive, nor does it pay, any fees for client referrals. KFP may, at its sole discretion, offer a discount to individuals or members of various groups.

Item 15 – Custody

KFP does not take custody of client cash, bank accounts or securities. The client's cash, bank accounts and securities will be maintained by unaffiliated, qualified custodians such as banks, brokerage firms, mutual fund companies and transfer agents. The client will receive account statements directly from their service provider. These statements are typically provided on a monthly or quarterly basis or as account transactions occur.

At client's direction, we will accept copies of client statements directly from the custodian, or electronic view-only access of client account balances. We will accept view-only client account access only so long as we have no ability to change any account information, or control anything about client's account whatsoever, including but not limited to directing trades, requesting distributions, naming a beneficiary, changing an address, etc.

Firm personnel will not act as trustee, have power of attorney, or exert any control over client accounts. Firm personnel are named as a back-up trustee for elderly relatives.

Item 16 – Investment Discretion

KFP does not provide discretionary investment management services, thus, issues related to investment discretion are not applicable. KFP will provide a recommendation on a specific investment, but it is the responsibility of the client to make the final decision on the transaction and to effect the transaction.

Item 17 – Voting Client Securities

KFP does not vote client securities. The client will maintain responsibility for directing the manner in which proxies are voted, as well as all other elections relative to mergers, acquisitions, tender offers or other events pertaining to the client's investments. The client will receive their proxies and other solicitations directly from the custodian or transfer agent for their investments.

Item 18 – Financial Information

Due to the nature of our services, an audited balance sheet is not required, nor included in this disclosure document. KFP does not have any financial condition that requires further disclosure. KFP has no financial commitment or situation that impairs its ability to fulfill its contractual or fiduciary obligations to clients.

Item 19 – Requirements for State-Registered Advisers

This item requires State Registered Investment Advisers to provide you with certain information or disclosures about the principals of KFP.

Please refer to ADV 2B for this information.

Part 2A - Appendix 1

KFP does not sponsor a wrap fee program, so issues related to a wrap fee program are not applicable.

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Part 2B – Brochure Supplement (Advisory Personnel)

March 28, 2017

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www.kochfinancialpartners.com

This brochure supplement provides information about Shawn Koch that supplements the Koch Financial Partners, LLC brochure. You should have received a copy of that brochure. Please contact Shawn Koch at (503) 505-5868 or shawn@kochfinancialpartners.com if you did not receive Koch Financial Partners, LLC's brochure or if you have any questions about the contents of this supplement.

Additional information about Shawn Koch is available on the SEC's website at www.adviserinfo.sec.gov. Click on the "Investment Adviser Search" link and then search for "Investment Adviser Representative (IAR)" using "Shawn Laurene Koch".

Item 2 - Educational Background and Business Experience

Name: Shawn L. Koch (Born 1964)

Title: Principal and Founder

Education:

- Juris Doctor, Northwestern School of Law of Lewis & Clark College, now known as Lewis & Clark Law School
- Bachelor of Arts, Sociology, University of Oregon, graduated Phi Beta Kappa, *Magna Cum Laude*.
- Portland State University
- Mt. Hood Community College

Experience:

2010 - Present	Principal, Koch Financial Partners, LLC
2008-2009	Paralegal, Employee Benefits Practice Group, Miller Nash, LLP
2007-2008	Corporate Benefits Manager, Blount International
2002-2007	Corporate Benefits Manager, Louisiana-Pacific Corporation
1999-2002	Outsourcing Services, Milliman
1991-1999	Attorney in private legal practice

Examinations and Professional designations:

- CERTIFIED FINANCIAL PLANNER™ professional exam and designation, 2010
- Series 65 - Uniform Investment Adviser State Law Exam, NASD, 2010
- Oregon State Bar - Attorney Bar Exam, 1991

To obtain the CFP® designation, a candidate must:

- Have a minimum of a bachelor's degree;
- Complete a course of study in financial planning or hold a designated professional status or advanced college degree;
- Pass a 2-day, 10-hour examination;
- Complete the equivalent of 3 years of professional financial planning experience; and
- Meet on-going continuing education requirements.

Professional Associations:

- National Association of Personal Financial Advisers ("NAPFA")
- Garrett Planning Network ("GPN")
- Oregon State Bar Association

Item 3 - Disciplinary Information

Neither KFP nor any of its personnel have been or is currently the subject of a reportable legal or disciplinary event.

Item 4 - Other Business Activities

KFP primarily provides financial planning advice. KFP also provides investment advice, depending on the needs of the client.

Item 5 - Additional Compensation

Shawn Koch does not accept or receive additional economic benefit (i.e. sales awards or other prizes) for providing advisory services to clients. Her only compensation is from client hourly or flat fees for projects.

Item 6 - Supervision

Shawn Koch serves in multiple capacities, including Principal, Financial Planner and Investment Adviser Representative. We recognize that lack of segregation of duties may potentially create conflicts of interest. However, we employ policies and procedures to ensure timely and accurate recordkeeping and supervision, including outsourcing certain functions to qualified entities to assist with these efforts when necessary.

Currently KFP employs one non-advisory independent contractor to assist with clerical duties such as accounting, data analysis and administrative tasks.

Questions about KFP, its personnel, its services or this document may be made to Shawn Koch at (503) 505-5868 or shawn@kochfinancialpartners.com.

Item 7 - Requirements for State-Registered Advisers

This item requires Registered Investment Advisers to provide you with certain financial information or disclosures about KFP's financial condition. KFP and Shawn Koch have no past, current or pending arbitration settlements, and no past, current or pending civil, regulatory, criminal or bankruptcy proceedings.