



Innovative Financial_{LLC}

Est. 2003

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(303) 275-7170

Form ADV Part 2A
Brochure

www.InnovativeFinancial.com

CRD #127469

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This brochure provides information about the qualifications and business practices of Innovative Financial, LLC (IF, LLC). If you have any questions about the contents of this brochure, please contact us at (303)275-7170 or via email at Info@InnovativeFinancial.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.

IF, LLC is a Registered Investment Adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Learn more about IF, LLC at www.InnovativeFinancial.com or at www.adviserinfo.sec.gov.

Item 2 – Material Changes

ANNUAL UPDATE – This section of our brochure will be updated annually when material changes occur. The previous release of our brochure is dated April 30, 2020.

MATERIAL CHANGES SINCE THE LAST UPDATE -- There are no material changes since the last filing.

FULL BROCHURE AVAILABLE -- Currently, our brochure may be requested by contacting us at (303)275-7170 or info@InnovativeFinancial.com.

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Item 4 – Advisory Business

IF, LLC is a Denver-based fee-only financial advisory firm. We offer objective personal financial planning that includes an evaluation of many non-investment issues, including retirement, estate planning, education, tax, and legacy planning. Our goal is you help you reach your life goals as well as your money goals.

The firm is owned by DeDe M. Jones and began in 2003.

We primarily recommend no-load mutual funds in our discretionary investing program; however, we may also offer advice on equity securities, corporate debt securities, municipal debt securities, mutual funds, exchange-traded funds, variable annuities, variable life insurance, U.S. Government securities, stock options, and entrepreneurial opportunities. See Item 8 for further information regarding our investment strategies. Portfolios are based on rigorously designed models and customized as required. Our planning services help to inform our investment strategy for each client, setting realistic goals and limits.

As of December 31, 2020, we managed \$55,000,000 in client assets on a discretionary basis.

Item 5 – Fees and Compensation

We receive compensation on the basis of pre-negotiated flat fees or assets under management fees set forth in a written fee agreement signed by both the client and IF, LLC. No custodian fees, mutual fund fees, or any other fees other than our fee will be charged by IF, LLC in connection with the Advisory services. The custodian will charge transaction fees directly. If services include asset management, fees will be billed quarterly in advance and deducted from managed accounts. Otherwise, the fee is due at the time of engagement.

We do not accept any third-party compensation from the sale of any securities or other investment products or other advice, including asset-based sales charges or service fees from the sale of mutual funds. We do not earn commissions on any securities that we may recommend to our clients. In addition, IF, LLC is not affiliated with any insurance company and does not hold any life insurance, disability insurance, or variable annuity licenses.

Upon termination of any Advisory agreement, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable. We may, at our sole discretion, propose a different fee arrangement for certain clients. All fees are subject to negotiation between the client and Advisor.

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

IF, LLC does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

Item 7 – Types of Clients

We offer Financial Planning and Investment Management services to individuals and institutions, including endowments, foundations, pension, profit-sharing plans, trusts, estates, charitable organizations, corporations, and other business entities.

We do not require an asset minimum for new clients.

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

Research has shown that investment strategies that try to beat the market are not successful over the long term. We invest globally in capital markets through the use of index funds.

- We have adapted index fund portfolios to address our clients' widely varying appetites for risk.
- Our portfolios include a tilt towards equity investments in companies that are smaller and more value-oriented than many well-known indices.
- We may also recommend fixed income and real estate investment trusts (REITs).

We do not attempt to time the market or specific sectors. Instead, we advise our clients to buy, hold, and rebalance portfolios that are globally diversified and incorporate an appropriate level of risk for them with a ratio of fixed income to equities as determined by our Risk Coaching Process.

We apply the tenets of Modern Portfolio Theory (MPT), which, in part, states that risk must be considered as well as returns. We attempt to maximize a portfolio's expected return for a given amount of portfolio risk by carefully choosing the proportions of various index funds.

We also incorporate the findings of Eugene F. Fama of the University of Chicago and Kenneth R. French of Dartmouth University. They jointly identified three risk factors associated with stock market returns (market, size, and value) and two risk factors associated with fixed income returns (term and default). Their Multi-Factor Model showed that a portfolio's exposure to the market as a whole, as well as the degree to which that portfolio carries increased or decreased exposure to small company stocks and stocks with high book-to-market ratios (also known as value stocks), primarily determines the portfolio's equity returns over time.

Many empirical studies guide our selection of funds and the construction of IF, LLC portfolios. We design our portfolios using research prepared by the following experts and academics, including the following:

- Harry Markowitz
- William Sharpe
- Gary P. Brinson, L.
- Randolph Hood
- Gilbert L. Beebower
- Eugene Fama
- Kenneth French
- John Graham
- Campbell Harvey
- Laurent Barras
- Olivier Scaillet
- Russ Wermer
- Amit Goyal
- Sunil Wahal
- Scott D. Stewart, CFA
- John J. Neumann
- Christopher R. Knittel
- Jeffrey Heisler, CFA

This research is reviewed and layered over the Modern Portfolio Theory to balance risk as measured by volatility against potential gains.

Investing involves a risk of loss that you should be prepared to bear. Material risks associated with our passive strategy include the systematic risk of being invested in the market, known as “market risk.” Other risks of investing include economic risks, the risk that the economy can go bad, behavioral risks, the risk that an investor will make emotional decisions regarding their investments, inflation risks, similar to market risk, and many others. Additionally, using the Multi-Factor Model may result in a higher level of volatility in small and value-oriented investments.

We do not represent or guarantee that our services or methods of analysis can or will predict future results or insulate clients from losses due to market declines. We do not offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way indicative of future performance.

While we do offer advice on a variety of investments, we primarily recommend no-load mutual funds and exchange-traded funds.

Item 9 – Disciplinary Information

IF, LLC is proud that none of our team members have ever been accused of or charged with any criminal or civil actions. Our firm and its' members have never violated any investment-related statutes or regulations.

Item 10 – Other Financial Industry Activities and Affiliations

IF, LLC has no affiliations with other Financial Industry Activities such as real estate brokers, broker-dealers, banks, attorneys, or insurance companies. DeDe Jones is a Certified Public Accountant in Colorado and uses her relevant training and experience in providing financial planning services to clients, including tax preparation. We consider tax preparation an integral part of our planning process and do not charge separately for it. Since we do not charge separately for tax prep services, they do not pose a conflict of interest. We do not receive any commissions, favors, etc., from any other real estate brokers, banks, attorneys, insurance companies or agents, or broker-dealers that might be recommended as part of your work with us.

Item 11 – Code of Ethics

IF, LLC recognizes the critical importance of our fiduciary responsibility and ethical behavior. We do not participate in or influence any situations or transactions where our own interests might take precedence over our clients' best interests.

Additionally, IF, LLC is committed to complying with the following ethical standards:

- The American Institute of Certified Public Accountants (AICPA) [Code of Professional Conduct](#).
- The Certified Financial Planner (CFP) Board's [Code of Ethics and Professional Responsibility](#).
- The Financial Planning Association (FPA) [Code of Ethics](#).

Clients or prospective clients may request copies of any of the above by contacting DeDe Jones at (-303)275-7170.

Item 12 – Brokerage Practices

When working with us, your investments are held in an independent custodian account, such as Fidelity Investments, which is also a broker-dealer. Only broker-dealers can purchase and sell (trade) investments. IF, LLC receives no commissions or compensation of any kind for investments traded through your broker-dealer.

We strive to work with broker-dealers that offer the best value for their service. In choosing a broker-dealer or negotiating commission rates:

- We seek the most advantageous commission and fee schedule; however
- less expensive brokerage transactions costs may be available through other sources

You may purchase investments directly through your custodian or through any broker-dealer or agent you choose. You may be charged brokerage fees that are different than the fees that are charged through the custodial account that we have established for you.

IF, LLC employees may occasionally receive nominal economic benefits from independent custodians and other non-clients. These may include meals and entertainment, computer linkages, discounts from selected software vendors, gifts of minimal value at conventions or holiday seasons, and access to some industry publications. Such benefits typically occur in the normal course of business or are part of our due diligence. We are very sensitive to conflicts of interest, and we do not believe that any of these nominal economic benefits influences our objectivity or negatively influences our understanding of our fiduciary obligations to our clients.

Item 13 – Review of Accounts

IF, LLC will monitor your accounts on a quarterly basis. Additional reviews may take place based on various circumstances, including, but not limited to:

- contributions and withdrawals,
- changes in your life circumstances,
- changes in your risk/return objectives or your risk capacity.

We will provide you with quarterly performance reports showing total portfolio value, portfolio holdings, and internal rate of return. You will receive trade confirmations, monthly or quarterly statements, and year-end tax statements from Fidelity. We recommend meeting with you on an annual basis or upon your request to ensure that the advisory services provided to you and/or the portfolio mix are consistent with your current investment needs and objectives.

Clients have the responsibility to inform IF, LLC of material changes in their situation.

Item 14 – Client Referrals and Other Compensation

IF, LLC never compensates others for client referrals. Referrals to other Financial Planners, Insurance Brokers, Tax professionals, Mortgage Brokers, Attorneys or any other financial service professionals are made with NO compensation. Soft dollar benefits will, at most, include the cost of a planning luncheon to discuss the client referral.

Item 15 – Custody

IF, LLC does not have custody of your funds. Your funds (investments) are held, purchased, and sold through an independent custodian. You will receive monthly statements and trade confirmations from your custodian. As a “check and balance,” clients are urged to compare their custodian’s statement to their IF, LLC statement and notify us immediately of any discrepancy between the two.

Item 16 – Investment Discretion

After developing a portfolio that supports your goals and meets with your approval, we will need to make changes as quickly as possible when required. To do this effectively, we must have discretion to make investment transactions on your behalf. When you work with us, you receive an Investment Advisory Agreement that gives us “limited discretion.” your custodian will send you trade confirmations of any changes we make for you.

This discretion is limited to the ability to conduct trades, collect fees and download information between IF, LLC & your custodian. It does not enable IF, LLC to direct investments in any manner that is not for your direct benefit. Your investments are purchased and sold through your custodial account. You may buy investments directly through your custodian or through any broker or agent you choose. If we feel that an investment is not in your best interest, or it is an investment that is outside of our scope of work or expertise, it will be set up as a separate account, and you may monitor it outside of your IF, LLC account.

Item 17 – Voting Client Securities

Funds that you are invested in will contact you directly regarding voting or company proxies. You may want to participate in the voting process of the funds and firms they are invested in. We do not advise or take any action regarding voting mutual fund or company proxies that you may be invested in.

Item 18 – Financial Information

We are not required to provide our company’s financial information to our clients because we do not:

- require the prepayment of more than \$1,200 in fees and six or more months in advance, or
- have a financial condition that is reasonably likely to impair our ability to meet our commitments to you.

Item 19 – Requirements for State-Registered Advisers

The Sole Owner, Financial Planner, Chief Compliance Officer, and Investment Manager, etc. of IF, LLC is:

DeDe Jones, born 2/24/1962

BSAcc Accountancy – University of Denver, 1984

Certified Public Accountant, 1985

Certified Financial Planner® certification, 2003

Owner Innovative Financial, LLC, 2003-present

See also Part 2B below.



Innovative Financial_{LLC}

DeDe Jones CFP[®], CPA

Innovative Financial, LLC

355 S. Teller St. Suite 200, Lakewood CO
(303) 275-7170

March 30, 2022

This Brochure Supplement provides information about DeDe Jones that supplements the Innovative Financial, LLC Brochure (ADV Part 2A). You should have received a copy of that brochure. Please contact DeDe Jones if you did not receive IF, LLC's Brochure or if you have any questions about the contents of this supplement.

Additional information about DeDe Jones is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2- Educational Background and Business Experience

DeDe Jones, CPA, CFP[®]

Born 1962

B.S. Acc., University of Denver 1984

CPA Certification 1985

College of Financial Planning 2003

CFP[®] Certification 2003

Began financial planning in 1998

Certified Public Accountant (CPA) CPAs are licensed and regulated by their state boards of accountancy. While state laws and regulations vary, the education, experience, and testing requirements for licensure as a CPA generally include minimum college education (typically 150 credit hours with at least a baccalaureate degree and a concentration in accounting), minimum experience levels (most states require at least one year of experience providing services that involve the use of accounting, attest, compilation, management advisory, financial advisory, tax or consulting skills, all of which must be achieved under the supervision of or verification by a CPA), and successful passage of the Uniform CPA Examination. In order to maintain a CPA license, states generally require the completion of 40 hours of continuing professional education (CPE) each year (or 80 hours over a two-year period or 120 hours over a three-year period). Additionally, all American Institute of Certified Public Accountants (AICPA) members are required to follow a rigorous *Code of Professional Conduct*, which requires that they act with integrity, objectivity, due care, competence, fully disclose any conflicts of interest (and obtain client consent if a conflict exists), maintain client confidentiality, disclose to the client any commission or referral fees, and serve the public interest when providing financial services

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. Currently, more than 62,000 individuals have obtained CFP® certification in the United States.

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, administered in 10 hours over a two-day period, 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.

Business Background:

Innovative Financial, LLC – June 2003 – Present

- Owner/Managing Director
- Investment Adviser Representative Retirement Without Tears -- 1999-2003

- Office manager
- Planner and client service coordinator

Item 3- Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item. DeDe Jones has never been involved in any arbitration, dishonest, unfair, or unethical practices, been found liable in a civil, self-regulatory organization, or administrative proceeding, nor been the subject of a bankruptcy petition.

Item 4- Other Business Activities

None

Item 5- Additional Compensation

None

Item 6 - Supervision

DeDe Jones supervises all IF, LLC activities and is the firm's Chief Compliance Officer and can be reached at (303) 275-7170.

While the CFP Board of Directors does not directly supervise IF, LLC, CFP® professionals who fail to comply with standards and requirements may be subject to the CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

Colorado Division of Securities also has the right to deny IF, LLC's ability to act as a Registered Investment Advisor, should such disciplinary action become necessary.

Item 7- Requirements for State-Registered Advisers

DeDe Jones has never been involved in any arbitration, dishonest, unfair, or unethical practices, been found liable in a civil, self-regulatory organization, or administrative proceeding, nor been the subject of a bankruptcy petition.