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Form ADV, Part 2A Brochure

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This brochure provides information about the qualifications and business practices of The Financial Team, Inc. If you have any questions about the contents of this brochure, please contact us at 760.448.2882 or plan@thefinancialteam.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.

Any reference to or use of the terms "registered investment adviser" or "registered," does not imply that The Financial Team, Inc. or any person associated with The Financial Team, Inc. has achieved a certain level of skill or training. Additional information about The Financial Team, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov.

ITEM 2 - MATERIAL CHANGES

Revised February 3, 2014

The purpose of this page is to inform you of material changes since the last annual update to our brochure. If you are receiving this brochure for the first time, this section may not be relevant to you.

The Financial Team, Inc. ("TFTI") reviews and updates our brochure at least annually to confirm that it remains current.

Margaret "Peggy" Lombardo retired from TFTI. As a result, we have made the following material changes since the annual update to our brochure, dated May 20, 2013.

Item 4 - Advisory Business

- We have made changes to our principal ownership (*also see Item 19*).
- We no longer offer new tax preparation services.

Item 13 - Review of Accounts

- We have made changes to the individuals responsible for reviewing accounts.

ITEM 3 - TABLE OF CONTENTS

ITEM 4 - ADVISORY BUSINESS

Description of Advisory Firm

The Financial Team, Inc. ("TFTI," "we," or "us") is a privately owned corporation headquartered in Carlsbad, California. TFTI is registered as an investment adviser with the California Department of Corporations. Maureen Verduyn co-founded TFTI in March 1998. Maureen is the sole owner of the business.

Advisory Services Offered

TFTI primarily offers two investment advisory services – Investment Management and Analysis and Consulting Services. TFTI may also continue to provide tax preparation services on a legacy basis to existing clients only, which is not an investment advisory service. This brochure describes TFTI's investment advisory services.

Investment Management

TFTI offers Investment Management Services by referring clients to third-party asset allocation or managed account programs. These programs provide for the management of client portfolios by the program provider or separate account managers, who are licensed investment advisers. TFTI will not refer clients to other investment advisers unless they are licensed, registered or exempt from registration as an investment adviser. TFTI is independent of and is not affiliated with any third-party program provider.

Efficient Portfolios

Based on our ongoing research and due diligence efforts, TFTI continues to recommend clients the third-party asset allocation program Efficient Portfolios, a program of Efficient Advisors, LLC ("Efficient"), an investment adviser registered with the U.S. Securities and Exchange Commission. Efficient Portfolios is an asset allocation program through which Efficient allocates your assets among exchange traded funds ("ETFs") and no-load institutional mutual funds in model portfolios designed to build long-term wealth while maintaining risk tolerance and loss threshold levels based on your distinct financial needs and goals. Efficient's service includes monitoring your account continuously and rebalancing and/or reallocating your assets on a discretionary basis in order to maintain your model allocation selection.

We will assist you in selecting an appropriate allocation model, understanding Efficient's investment management agreement, and completing Efficient's investor profile. The investor profile will help Efficient determine your allocation strategy. You may place reasonable restrictions on the individual investments in your account. These restrictions must be in writing and accompany the investment management agreement.

Efficient requires us to maintain an ongoing relationship with you and meet with you on a periodic basis, not less frequently than annually, to discuss changes in your personal or financial situation, suitability and any new or revised reasonable restrictions you would like to impose on your account(s). We will be your liaison with Efficient. We will not have investment discretion or investment management authority over your accounts. We are responsible for determining the suitability of the Efficient Portfolios program for you. Because the information you disclose in the investor profile helps Efficient determine your allocation strategy, you are responsible for communicating all changes in your financial circumstances and investment objectives to us. We are responsible for notifying Efficient of changes in your current circumstances. Efficient reviews your account in the context of your stated investment objectives and guidelines, and any adjustments made are dictated by your investor profile. Therefore, your prompt notification of any changes in your financial circumstances and investment objectives is critical to ensure that your assets are in alignment with your individual needs.

If you choose to participate in the Efficient Portfolios program, you will enter into an investment management agreement with TFTI and Efficient. TFTI cannot enter into an agreement on Efficient's behalf, and Efficient has the right to reject any client we refer. Every referred client, prior to entering into an investment management agreement with TFTI and Efficient, will receive Efficient's disclosure brochure, privacy notice, and a disclosure of the referral arrangement, including the compensation TFTI is paid. You should review Efficient's disclosure brochure, investor profile, and investment management agreement before deciding to participate in the program.

TFTI receives fees for our services as described below under ***Fees and Compensation***.

Limitations on Investments

For clients participating in the Efficient Portfolios platform, in some circumstances, Efficient's advice may be limited to certain types of securities. For example, when Efficient provides services to participants in a self-directed 401(k) plan, the participant may be limited to investing in securities included in the plan's investment options. In that case, Efficient can only make recommendations to the client from among the available options, and will not recommend or invest the client's account in other securities, even if there may be better options elsewhere.

There may also be limitations on the securities in which Efficient may invest clients' accounts. For clients whose accounts are held in custody at certain custodians, Efficient is limited to the securities offered through the custodian. Similarly, for clients whose accounts are invested in variable annuity contracts, Efficient may only invest in the sub-accounts permitted by the issuer of the variable annuity contract. In addition, clients may hold or purchase other non-managed securities. Non-managed securities are held strictly as an accommodation and at the request of the client. Generally, all non-managed securities within your portfolio are traded and/or held solely at your request.

Financial Planning and Analysis & Consulting Services

TFTI offers Financial Planning and Analysis & Consulting Services. These Services may take the form of one-on-one advice concerning investment matters or other advice as contracted by the client. Services may also include advice on individual issues such as review of investment portfolios, tax planning services, risk management through insurance review, evaluation of real estate portfolio and mortgages, retirement planning, estate planning, cash flow management, college planning, and discussions about behaviors, philosophy, personality and your relationship with money. A written plan may be provided as part of our Financial Planning Services. Fees charged for Financial Planning and Analysis & Consulting Services are described below under ***Fees and Compensation***.

Tailored Services

We may make recommendations to purchase or roll over current real estate-related private placements such as Tenant-In-Common (TIC) interests and Limited Liability Company shares of professionally managed properties. TFTI may recommend real estate-related private placements to clients based on factors that include but are not limited to accreditation status, the level of interest clients express during meetings with TFTI, and whether the program would offer diversification to the client. Private placements typically do not have a ready market for their purchase or sale, are less liquid than market-based securities, and are therefore considered risky investments. Consequently, these securities are only available to accredited investors. TFTI will recommend these securities only to clients who meet the necessary income and/or net worth requirements and where TFTI believes the investment is appropriate for the client based on the client's ability to accept the risk. See also disclosures under ***Other Compensation***, ***Risks,*** and ***Registered Representative of Unaffiliated Broker-Dealer*** below.

Wrap Fee Programs

TFTI does not manage accounts as part of a wrap or bundled fee program.

Assets Under Management

As described above, TFTI does not manage client assets but instead offers Investment Management Services by referring clients to third-party asset allocation or management account programs. TFTI does assist clients in completing an investment profile for and determining the suitability of the Efficient Portfolios program for clients' investable assets. TFTI is then compensated based on a percentage of the assets clients place into this program. Total client assets invested in the Efficient Portfolios program as of 03/31/2013 was $45,853,730.

ITEM 5 - FEES AND COMPENSATION

Fee Schedule

Investment Management Services

Efficient's management fee is a percentage of the market value of the assets held within your account under management in accordance with the following fee schedule:

Household Assets	Efficient Advisors' Fee	Maximum TFTI Fee*	Total Annual Management Fee
First $500,000	0.50%	1.25%	1.75%
Next $500,000	0.45%	0.95%	1.40%
Next $1,000,000	0.35%	0.50%	0.85%
Next $1,000,000	0.30%	0.30 %	0.60%
Over $,3000,000	0.25%	0.25%	0.50%

Of the total annual management fee, Efficient typically retains the amount of each tier listed above under the Efficient Advisors' Fee column and TFTI receives the remainder. Efficient aggregates accounts with the same address into Households and breakpoints are applied by Household. Efficient charges a minimum annual fee of $60.00 per investment account. The management fee deducted from the client's account is first applied against this minimum or Efficient's annual percentage fee listed above, whichever is higher, and the difference is shared with TFTI. The minimum fee is not prorated and is not shared with TFTI.

*TFTI's portion of the total management fee is listed under the column Maximum TFTI Fee above and represents the maximum fee TFTI may earn under the program. However, TFTI may discount the highest fee for all clients of TFTI so that the maximum annual fee to TFTI will be 1% instead of 1.25%. Additionally, TFTI may negotiate its fee based on a number of factors including, but not limited to, the amount of work involved and the assets placed under management. Lower fees for comparable services may be available from other sources.

Efficient may manage TFTI's accounts and our employees' and/or family accounts for a reduced fee or free of charge. Additionally, non-managed assets (described above) are excluded from the calculation of the management fee.

TFTI has introduced accounts in excess of $10 million under management with Efficient, and is considered an Elite Advisor. As such, Efficient may share an additional 0.15% on all tiers with TFTI. This additional amount will not change the total Management Fee paid by you. See also ***Client Referrals and Other Compensation*** below.

Clients receive and sign a disclosure statement, which specifies the fee schedule and the compensation to TFTI or its owners. You should review Efficient's disclosure brochure, investor profile, and investment management agreement before deciding to participate in the program.

Financial Planning and Analysis & Consulting Services

TFTI offers Financial Planning and Analysis & Consulting Services on an hourly or fixed fee basis. We charge hourly fees at a rate of $350 per hour per principal and at a reduced rate for services performed by administrative personnel. Alternatively, TFTI may offer these services on a project fee basis. The project fee is based primarily on the complexity of each client's circumstances and an estimate of the number of hours to complete the project and will be quoted at the time of engagement. TFTI's minimum project fee is $1,500.

Billing Method

Investment Management

Efficient Portfolios

You will authorize your account's custodian to pay the management fee by debiting your account monthly, in advance, based on the market value of your account's assets on the last day of the previous month as valued by your account's custodian. The management fee for the initial month is calculated based on the contributions made into each account and prorated based on the date of the initial trade into the Efficient Portfolio(s).

You may add cash to and withdraw funds from your account(s) at any time. If assets are deposited into or withdrawn from your account(s) after the beginning of the month, that month's management fee will not be adjusted or prorated. In the event that the total value of your account or aggregated accounts falls below $50,000 because of a withdrawal by you or for any other reason, Efficient may terminate the investment management agreement. You should review Efficient's disclosure brochure, investor profile, and investment management agreement before deciding to participate in the program.

Analysis and Consulting Services

TFTI invoices the hourly fees for Analysis and Consulting Services as fees are incurred and fees are payable upon receipt of TFTI's invoice. For project fees, one-half of the total estimated project fee is due and payable at the time you execute the agreement. The remainder of the fee is due upon completion of the services.

Other Fees and Expenses

TFTI's fees and fees for the Efficient Portfolios program do not include custodian fees. Any brokerage commissions, transaction charges, stock transfer fees, and other similar charges that are incurred in connection with transactions for your account will be paid out of the assets in the account and are in addition to the fees you pay to TFTI or Efficient.

In addition, any mutual fund shares held in your account may be subject to deferred sales charges, 12b-1 fees, short-term redemption fees, and other mutual fund annual expenses. The fees and expenses are fully described in the fund's prospectus. All fees paid to TFTI for our services are separate and distinct from the fees and expenses charged by mutual funds. Mutual funds pay advisory fees to their managers and such fees are therefore indirectly charged to all holders of the mutual fund shares. If you have mutual funds in your portfolio, you are effectively paying both Efficient and the mutual fund manager for the management of their assets.

You should review Efficient's disclosure brochure, investor profile, and investment management agreement before deciding to participate in the program.

Termination

Investment Management

Efficient Portfolios

The investment management agreement will continue in effect until terminated by you or Efficient by written notice to the other. If termination is on a day other than the last day of a calendar month, Efficient will retain the unused portion of the prepaid management fee. Efficient may terminate its services to your account(s) upon 30 days prior written notice to you and to TFTI.

In addition, in the event that the total value of your account or aggregated accounts falls below $50,000 because of a withdrawal by you or for any other reason, Efficient may terminate the investment management agreement. You should review Efficient's disclosure brochure, investor profile, and investment management agreement before deciding to participate in the program.

Analysis and Consulting Services

Either party may terminate the agreement for Analysis and Consulting Services at any time by providing written notice to the other party. You may terminate the agreement at any time by writing TFTI at our office. If our hourly agreement is terminated before we have completed the agreed upon services, we will invoice you for work completed through the termination date. If our project-fee agreement is terminated before we have completed the agreed upon project we will determine the percentage of the project we have completed based on the hourly rate and the number of hours we have expended for the project. If we have completed less than one-half of the project, we will refund to you any unearned fees. If we have completed more than one-half of the project, we will invoice you for the additional time we have expended in excess of the fees you have paid.

Other Compensation

Associated persons of TFTI may receive sales commissions for the sale of real estate-related private placements. TFTI may recommend these securities in connection with our Analysis and Consulting Services and the commissions associated persons receive are separate from and in addition to the fees clients pay us for our Analysis and Consulting Services. Depending on the scope of the analysis project, TFTI may use the commissions generated from these transactions to offset an Analysis and Consulting Service. Securities that generate commissions are excluded from the asset values used for calculating your fees for Investment Management Services.

The receipt of commission payments presents a conflict of interest and could give us an incentive to recommend investment products based on the compensation we receive, rather than on your needs. Anytime an associated person would receive a commission from the sale of a recommended investment product, we will disclose that conflict to you. Our disclosure may be in conversations with you or may be in writing to you. You are free to choose whether you act on our recommendations to purchase investment products or not. If you decide to purchase the recommended investment products, you have the option to purchase the products through any broker or agent of your choice. You are not required to purchase the products through our associated persons.

ITEM 6 - PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

TFTI does not charge performance-based fees. However, we may recommend third-party managers that utilize performance-based fee arrangements with clients. Consequently, since we receive a percentage of client fees collected by the third-party managers we recommend, some fees may be derived from performance-based fee arrangements. All clients will receive a copy of each third-party manager's Form ADV, Part 2A referred by TFTI. This important disclosure document should be read carefully to determine whether the manager's fee structure is appropriate for the client.

ITEM 7 - TYPES OF CLIENTS

TFTI offers its services to individuals, high net worth individuals, trusts and estates, and individual participants of retirement plans. In addition, we offer our services to small businesses and pension and profit sharing plans.

Account Requirements

As described in ***Item 4 - Advisory Services Offered*** above, TFTI offers Investment Management Services by referring clients to the Efficient Portfolios program. Efficient aggregates accounts with the same address into Households. In the event the total value of your account or aggregated total value of a Household falls below $50,000 because of a withdrawal by you or for any other reason, Efficient may terminate the investment management agreement. Efficient may waive this requirement at its discretion. You should review Efficient's disclosure brochure, investor profile, and investment management agreement before deciding to participate in the program.

ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Methods of Analysis and Investment Strategies

Investment Management

As described under ***Advisory Services Offered*** above, TFTI offers Investment Management Services by referring clients to the Efficient Portfolios program. We will assist you in selecting an appropriate allocation model, understanding Efficient's investment management agreement, and completing Efficient's investor profile. The investor profile will help Efficient determine your allocation strategy. Efficient offers clients a variety of structured, long-term, globally diversified portfolios that are primarily constructed using exchange traded funds (ETFs) or no-load mutual funds. No-load mutual funds are primarily used for accounts under $50,000. Some of Efficient's portfolios use alternative assets classes, by using a managed futures mutual fund, within the portfolio in an effort to mitigate the potential downside volatility of the stock and bond markets. There is no requirement that you use alternative assets classes within your portfolio. We will discuss the potential benefits and risks of including the managed futures mutual fund in your portfolio. See also ***Risks*** below. You should review Efficient's disclosure brochure, investor profile, and investment management agreement before deciding to participate in the program.

General Risk of Loss Statement

Prior to entering into an agreement with TFTI and Efficient, you should carefully consider:

1. That investing in securities involves risk of loss which you should be prepared to bear;
2. That securities markets experience varying degrees of volatility;
3. That over time the your assets may fluctuate and at any time be worth more or less than the amount you invested; and
4. Committing to Efficient's management only those assets that you believe you will not need for current purposes and that can be invested on a long-term basis, usually a minimum of five to seven years.

Risks

Mutual Funds (Open-end Investment Company)

A mutual fund is a company that pools money from many investors and invests the money in stocks, bonds, short-term money-market instruments, other securities or assets, or some combination of these investments. The combined holdings the mutual fund owns are known as its portfolio. Each share represents an investor's proportionate ownership of the fund's holdings and the income those holdings generate. The price that investors pay for mutual fund shares is the fund's per share net asset value (NAV) plus any shareholder fees that the fund imposes at the time of purchase (such as sales loads). Some of the risks of mutual funds include having to pay taxes on any capital gains distribution the investor receives even if the fund goes on to perform poorly after the investor buys shares or lack or real-time prices, as mutual funds typically only calculate their NAV once every business day, typically after the major U.S. exchanges close.

When it comes to investing in mutual funds, investors have literally thousands of choices. Most mutual funds fall into one of three main categories—money market funds, bond funds (also called "fixed income" funds), and stock funds (also called "equity" funds). Each type has different features and different risks and rewards. Generally, the higher the potential return, the higher the risk of loss.

Money Market Funds

Money market funds have relatively low risks, compared to other mutual funds (and most other investments). By law, they can invest in only certain high-quality, short-term investments issued by the U.S. Government, U.S. corporations, and state and local governments. Money market funds try to keep their net asset value (NAV)—which represents the value of one share in a fund—at a stable $1.00 per share. However, the NAV may fall below $1.00 if the fund's investments perform poorly. Investor losses have been rare, but they are possible. Money market funds pay dividends that generally reflect short-term interest rates, and historically the returns for money market funds have been lower than for either bond or stock funds. That is why "inflation risk"—the risk that inflation will outpace and erode investment returns over time—can be a potential concern for investors in money market funds.

Bond Funds

Bond funds generally have higher risks than money market funds, largely because they typically pursue strategies aimed at producing higher yields. Unlike money market funds, the SEC's rules do not restrict bond funds to high-quality or short-term investments. Because there are many different types of bonds, bond funds can vary dramatically in their risks and rewards. Some of the risks associated with bond funds include credit risk, interest rate risk, and prepayment risk.

Stock Funds

Although a stock fund's value can rise and fall quickly (and dramatically) over the short term, historically stocks have performed better over the long term than other types of investments—including corporate bonds, government bonds, and treasury securities. Overall "market risk" poses the greatest potential danger for investors in stocks funds. Stock prices can fluctuate for a broad range of reasons—such as the overall strength of the economy or demand for particular products or services.

Managed Futures Funds

A Managed Futures Mutual Fund invests in other funds. These underlying funds will typically employ various actively managed futures strategies that will trade various derivative instruments including (i) options, (ii) futures, (iii) forwards or (iv) spot contracts, each of which may be tied to (i) commodities, (ii) financial indices and instruments, (iii) foreign currencies, or (iv) equity indices. Managed futures strategies involve substantial risks that differ from traditional mutual funds. Each underlying fund is subject to specific risks, depending on the nature of the fund. These risks could include liquidity risk, sector risk, and foreign currency risk, as well as risks associated with fixed income securities, commodities and other derivatives. The strategy of investing in underlying funds could affect the timing, amount and character of distributions to you and therefore may increase the amount of taxes you pay.

Each underlying fund is subject to investment advisory and other expenses, including potential performance fees, which will be indirectly paid by the Managed Futures Fund. Your cost of investing in a Managed Futures Fund will be higher than the cost of investing directly in underlying funds and may be higher than other mutual funds that invest directly in stocks and bonds. You will indirectly bear fees and expenses charged by the underlying funds in addition to the Managed Futures Fund's direct fees and expenses. Each underlying fund will operate independently and pay management and performance based fees to each manager. Generally, the underlying funds will pay management fees that range from 0% to 2% of assets and performance fees that range from 10% to 35% of each underlying fund's returns. There could be periods in which fees are paid to one or more underlying fund managers even though the Fund, as a whole, has a loss for the period.

Tax Consequences of Mutual Funds

When investors buy and hold an individual stock or bond, the investor must pay income tax each year on the dividends or interest the investor receives. However, the investor will not have to pay any capital gains tax until the investor actually sells and unless the investor makes a profit. Mutual funds are different. When an investor buys and holds mutual fund shares, the investor will owe income tax on any ordinary dividends in the year the investor receives or reinvests them. In addition to owing taxes on any *personal capital gains* when the investor sells shares, the investor may also have to pay taxes each year on t*he fund's capital gains*. That is because the law requires mutual funds to distribute capital gains to shareholders if they sell securities for a profit that cannot be offset by a loss.

Exchange-Traded Funds (ETFs)

An ETF is a type of Investment Company (usually, an open-end fund or unit investment trust) whose primary objective is to achieve the same return as a particular market index. An ETF is similar to an index fund in that it will primarily invest in securities of companies that are included in a selected market index. Unlike traditional mutual funds, which can only be redeemed at the end of a trading day, ETFs trade throughout the day on an exchange. Like stock mutual funds, ETF prices may be affected by the prices of the underlying securities, the overall market. ETF prices that track a particular sector may be affected by factors affecting that particular industry segment.

Real Estate-Related Private Placements

The real estate-related private placement structure is a mechanism that allows individual investors to pool their resources in real estate deals. A product sponsor, who is usually a trust subsidiary, real estate investment company, or entrepreneur, arranges the structure. The sponsor will identify the property, perform the due diligence, enter into the purchase and sale agreement, arrange financing and offer interests to investors through registered persons of a broker-dealer. The responsibilities of the various investors are outlined in the private placement agreement. In addition, the individual investors sign additional documents giving the sponsor the right to handle or sub-contract for the day-to-day operations of the property.

A primary advantage of a real estate-related private placement is that the real estate investment properties are, in effect, pre-packaged by the sponsor. This includes the required due diligence paperwork such as title insurance, environmental, tax opinion and study lease documents. This due diligence work greatly reduces the up-front costs that the individual investor would incur if they sought out the investment independently and eliminates any of the conventional landlord's headaches.

Real estate-related private placement s may be either securitized or non-securitized. If they are securitized, they are subject to regulation by the Securities and Exchange Commission (SEC) and Financial Industry Regulatory Authority (FINRA), and may only be sold by registered securities dealers. The management of the product is typically by the product's sponsor, and may include multiple properties. If they are non-securitized, they are structured as straight real estate investments, not governed by the SEC or FINRA, and are sold by real estate licensees. The sponsor is not involved in the management of the product, but may retain an ownership position. Each product typically involves only one real estate property.

Any project should be evaluated on its own merits in the same manner that any direct investment in real estate should be considered.

The risks of investing in a real estate-related private placement include: Similar to all real estate investment, there is risk in real estate-related private placement investments. Investors should carefully review offering materials related to the investment, as those materials will contain significant risk disclosures and specific information about the property. Interests in real estate may be speculative and may involve a high degree of risk; investors should be able to bear the loss of part or all of their investment. Some investment interests are subject to recourse liability, i.e., the investor may be responsible for providing any cash that is needed in the future in association with the property.

There may be some restrictions on transferring ownership interests; these are not liquid investments. There are numerous important tax risks and tax issues involved with the purchase of the interest; investors should consult their own tax advisors and legal counsel. The direct or indirect purchase of real property involves significant risks, including market risk and property specific risk. The purchase of real property with other investors presents risks in association with the relationship with those other investors. These investments are often leveraged; leverage may increase volatility and may increase the risk of investment loss. The manager has broad authority and supervision over the property and the terms of financing. The various fees paid to the manager and its affiliates in the investment are significant and may offset profits related to the ownership and operation of the real estate.

In addition, there is no guarantee that cash distributions will continue, that a particular property's business plan will be successfully executed, that the property's value will be enhanced or the property will be sold within the planned time period.

The potential for property value to decrease: All real estate investments have the potential to lose value during the life of the investment. This is true of any investment, especially real estate.

The change of tax status: The income stream and depreciation schedule for any investment property may affect the income bracket and/or tax status of the owner of the property. An unfavorable tax ruling may potential cancel the deferral of the capital gains.

Potential for foreclosure: Any and all financed real estate investments have the possibility of foreclosure.

Potential for having an illiquid investment: Most real estate can be an illiquid asset, and private placement investments are no different. There is currently no secondary market for these investments. All properties usually have business plans, ranging from three to ten years in length. Some properties receive offers, of which the co-owners vote on, in advance of the completion of the business plan.

The reduction or elimination of monthly cash flow distributions: Just like any other investment in real estate, if a property unexpectedly loses tenants or sustains substantial damage, there is potential for a suspension of current, cash flow distributions or rent. The business plan, professional property management, and asset management, are attempted safeguards against possible cash flow disruption.

The impact of fees and/or expenses: Just Like any investment in real estate, additional costs associated with the transaction may impact returns for the investor, and it may even outweigh the tax benefits of any exchange procedure.

The loss of management control: Product sponsors typically employ professional asset and property management. Therefore, while co-owners vote on major issues, such as selling the property, they do not have the direct say over the day-to-day property management situations. This can be considered both a benefit and a risk.

ITEM 9 - DISCIPLINARY INFORMATION

We are required to disclose whether there are legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management. TFTI does not have any legal or disciplinary information to disclose.

ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Registered Representatives of Unaffiliated Broker-Dealer

Associated persons of TFTI are also registered securities representatives of Rance King Securities, Inc. ("Rance King"), a non-affiliated registered broker-dealer and a member of the Financial Industry Regulation Authority ("FINRA"). The only products that associated persons may offer though Rance King are real estate-related private placements sponsored by Rance King, which are generally Tenant In Common ("TICs") securities and/or Limited Liability Company ("LLC") interests. These securities are only offered to investors that are accredited investors. Clients are under no obligation to act upon any recommendations of TFTI's associated persons or effect any transactions through them if the client decides to follow the recommendations.

See also disclosures under ***Other Compensation*** and ***Risks*** above.

Licensed Insurance Agents

Associated persons of TFTI maintain insurance licenses with the California Department of Insurance. They are licensed to sell life-only, accident, and health insurance through various insurance companies. Although our associated persons maintain their licenses and may sell insurance products, they have elected not to sell insurance products to clients. If they elect to sell insurance in the future, they will be entitled to receive commissions on the sale of insurance products. The insurance commissions would be separate from and in addition to any other fees that a client may pay to TFTI for investment advisory services. Clients are under no obligation to act upon any recommendations of TFTI's associated persons or effect any transactions through them if the client decides to follow their recommendations.

ITEM 11 - CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Code of Ethics

TFTI believes that we owe clients the highest level of trust and fair dealing. Further, as part of our fiduciary duty, we place the interests of our clients ahead of the interests of the firm and our personnel. TFTI's personnel are required to conduct themselves with integrity at all times.

Participation or Interest in Client Transactions and Personal Trading

At times, employees of TFTI may hold, buy, or sell positions in securities that we may also recommend to clients. However, at no time will TFTI or any employee receive preferential treatment over clients.

TFTI may recommend that clients invest in real estate-related private placements. Employees of TFTI may also be investors in the same investments. Employees of TFTI may invest in the same offerings that we recommend to clients and the owners of TFTI may earn commissions on the investment by clients. See also disclosure under ***Other Compensation*** and ***Registered Representative of Unaffiliated Broker-Dealer*** above.

TFTI's 401(k) plan and the personal accounts of certain employees of TFTI are invested with Efficient, the same program that TFTI recommends to clients. Maureen serves on an informal advisory board for Efficient, which provides her with an opportunity to provide feedback on the programs Efficient offers to all clients, not just those of TFTI.

TFTI is and will continue to be in total compliance with the Insider Trading and Securities Fraud Enforcement Act of 1988 and the applicable rules of state and federal securities laws, including the prohibition of insider trading. TFTI maintains the required personal securities transaction records for employees.

ITEM 12 - BROKERAGE PRACTICES

Factors Considered in Selecting Broker-Dealers for Client Transactions

Clients participating in the Efficient Portfolios program are required under the program to open one or more accounts in their own name with either Schwab Institutional ("Schwab") or TD Ameritrade Institutional, a division of TD Ameritrade, Inc. and TD Ameritrade Clearing, Inc., both registered broker-dealers and members of SIPC, for safekeeping of assets and execution of client transactions. Schwab is a division of Charles Schwab & Co., Inc., a registered broker-dealer, member SIPC. TD Ameritrade Institutional is a division of TD Ameritrade, Inc. and TD Ameritrade Clearing, Inc., both registered broker-dealers and members of SIPC. 401(k) accounts will be required to open an account with TD Ameritrade. Variable annuities in the Efficient Portfolios program are offered through Monumental Life. You should review Efficient's disclosure brochure, investor profile, and investment management agreement before deciding to participate in the program.

Because the two custodians offer very similar services for very similar pricing, TFTI is not biased as to which custodian a client should choose. However, in the case of tax qualified accounts, TFTI will recommend TD Ameritrade to clients for the custody of their assets when clients are invested or choose to invest in private placements recommended by associated persons of TFTI. TFTI recommends TD Ameritrade on the basis that TD Ameritrade facilitates holding in custody certain real estate private placements and based on the relatively low cost and online access services provided to clients. Private placements purchased with non tax-qualified assets are generally held directly by the client.

ITEM 13 - REVIEW OF ACCOUNTS

Managed Account Reviews

In the Efficient Portfolios program, Efficient and not TFTI is responsible for the ongoing management of your account(s). We offer to meet with you at least once per year to discuss changes in your personal or financial situation, suitability of the program for you, and any new or revised restrictions you would like to impose on your account(s) in the program. Maureen Verduyn, CEO, is responsible for information provided to clients in all reviews. Additionally, you must promptly notify us of any changes at any time in your financial circumstances and investment objectives and should not wait until your next annual review.

Account Reporting

Each client participating in the Efficient Portfolios program receives statements from their custodian every month during which there is activity in their account(s). Additionally, Efficient provides clients with a report at the end of each calendar quarter that may include relevant account and market related information. The default method for report delivery is by electronic means. Efficient will post these reports to a password protected website. Efficient will assess an annual fee from any client that requests paper reports to be mailed to them.

ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION

To date, TFTI has introduced accounts in excess of $10 million under management with Efficient, and having done so is considered an Elite Advisor. As such, Efficient shares an additional 0.15% on all fee tiers with TFTI. This additional 0.15% paid to TFTI will not change the total management fee paid by clients, however, the Elite Advisor arrangement has permitted TFTI to offer their services to clients at a lower rate than it would otherwise. TFTI customarily discounts the highest fee for all clients so that the maximum annual fee to TFTI will be 1% instead of 1.25%. Although TFTI has an incentive to recommend clients to the Efficient Portfolios platform in order to maintain in excess of $10 million under management on the platform and the continued increase of its fees, TFTI is also responsible for ensuring that the platform is suitable for clients and will only recommend the platform to clients when TFTI believes the platform is in the best interest of clients based on their financial circumstances and investment objectives. Additionally, Efficient Portfolios is the only platform that TFTI recommends to clients but TFTI reserves the right to continue researching and performing due diligence on other third party platforms that may be of benefit to TFTI's clients. Should TFTI find an alternative program that is compatible with TFTI's investment philosophy and is either comparable or superior to the Efficient Portfolios program, TFTI is under no obligation to continue referring the services of Efficient Advisors.

Efficient may cover certain marketing and administrative costs of TFTI, which would normally be the responsibility of TFTI. Efficient's payment of such costs will increase the net revenue to TFTI, and therefore may give TFTI an incentive to refer clients to Efficient instead of alternative portfolio managers.

Efficient may offer TFTI a reduced subscription rate to The Advisor Lab, LLC's suite of products. The Advisor Lab, LLC is Efficient's parent company and is a marketing and education firm dedicated to helping financial professionals leverage their existing client relationships. This discount is generally scaled based on the total amount of assets referred by TFTI and may result in TFTI receiving the subscription at no cost.

Efficient may also pay other unaffiliated financial advisors for providing administrative and market support to TFTI.

To address the above conflicts of interest, TFTI will make full disclosure in this brochure of any additional economic benefit we have received from Efficient and will amend our brochure periodically for any changes in those benefits. We will include changes in those benefits in ***Material Changes*** above which we will provide to you at least annually.

ITEM 15 - CUSTODY

TFTI does not take custody of client funds or securities in any way. Instead, client assets are held at a qualified custodian such as TD Ameritrade, Inc. or Charles Schwab & Company, Inc., registered broker-dealers and members of SIPC. Further, client funds & securities are held separately in the name of the client.

See also ***Factors Considered in Selecting Broker-Dealers for Client Transactions*** above.

ITEM 16 - INVESTMENT DISCRETION

TFTI does not accept discretionary authority over client accounts. We make recommendations to clients and refer client to third-party asset allocation or management account programs. Clients participating in one of these programs will typically grant an investment adviser in the program discretion to manage their account. TFTI does not manage clients' investment accounts.

ITEM 17 - VOTING CLIENT SECURITIES

TFTI does not vote client securities. We make recommendations to clients and refer client to third-party asset allocation or management account programs. Clients participating in one of these programs may grant an investment adviser in the program the authority to vote proxies for securities held in their account. If the third-party adviser does not vote proxies, then clients will receive proxies directly from their custodian or transfer agent. TFTI does not manage clients' investment accounts; therefore, TFTI may only be able to assist clients with general questions at it relates to the programs of the third-party advisers. However, TFTI is not able to provide advice regarding any particular solicitation.

ITEM 18 - FINANCIAL INFORMATION

TFTI does not require the prepayment of more than $500 in fees per clients, six months or more in advance.

TFTI does not foresee any financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients.

ITEM 19 - REQUIREMENTS FOR STATE-REGISTERED ADVISERS

We have disclosed material conflicts of interest required under Section 260.238(k) of the California Corporate Securities Law of 1968 regarding TFTI, our representatives or our employees, which we expect could reasonably impair the rendering of unbiased and objective advice.

Principal Executive Officers and Management Persons

The principal executive officer and management person of TFTI is Maureen Verduyn. Her education and business background are provided in the Form ADV Part 2B Supplement included below.

Other Business Activities

TFTI and our employees engage in other business activities besides providing investment advice. We discuss these activities under ***Other Financial Industry Activities and Affiliations***, above.

Performance-Based Fees

TFTI does not receive any performance-based fees. However, we may recommend third-party managers that utilize performance-based fee arrangements with clients. All clients will receive a copy of each third-party manager's Form ADV, Part 2A referred by TFTI. This important disclosure document should be read carefully to determine whether the manager's fee structure is appropriate for the client.

Legal and Disciplinary Issues

TFTI and our employees seek to maintain the highest level of business professionalism, integrity, and ethics. TFTI and its employees do not have any legal or disciplinary events to disclose.

Arrangements with Securities Issuers

TFTI and our employees have no relationships or arrangements with issuers of securities other than those disclosed above under ***Other Financial Industry Activities and Affiliations***.

Maureen Verduyn
Margaret “Peggy” Lombardo

The Financial Team, Inc.
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Suite 105
Carlsbad, CA 92011
760.448.2882
www.thefinancialteam.com

Form ADV, Part 2B Brochure Supplement

March 6, 2014

This brochure supplement provides information about Maureen Verduyn and Margaret “Peggy” Lombardo that supplements The Financial Team, Inc. brochure. You should have already received a copy of that brochure. Please contact Maureen if you did not receive our brochure or if you have any questions about the contents of this supplement.

Additional information about Maureen Verduyn and Margaret “Peggy” Lombardo also is available on the SEC’s website at www.adviserinfo.sec.gov.

Maureen Verduyn

ITEM 2 - Educational Background and Business Experience

Maureen Verduyn, CFP; EA, President, CEO, CFO, b. 1963

Education:

- Enrolled Agent, Internal Revenue Service, 2011
- M.Ed.; University of San Diego, 1996
- B.A.; University of North Carolina, Wilmington, 1992
- Certified Financial Planner, 1987

Business Background:

- The Financial Team, Inc., President, CFO, 2014 to present
- The Financial Team, Inc., CEO, 1998 to present
- TFT Advisors, LLC, Managing Member, 2006 to 2010
- Rance King Securities Corp., Registered Representative, 2010 to present
- Lighthouse Capital Corporation, Registered Representative, 2007 to 2009
- QA3 Financial Corp, Registered Representative and Investment Adviser Representative, 1998 to 2006

Certified Financial Planner

The CERTIFIED FINANCIAL PLANNER™ and CFP® (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. The CFP® is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients.

To earn the credential, each CFP® candidate must have a bachelor's degree (or higher) from an accredited college or university and three years of full-time personal financial planning experience. In addition, candidates must take the CFP® Certification examination and complete a CFP® -board registered program or hold an accepted designation, degree or license. Every two years, CFP ® certificate holders must complete a minimum of 30 hours of continuing education. More information regarding the CFP® is available at http://www.cfp.net/default.asp.

Enrolled Agent

An enrolled agent (EA) is a person who has earned the privilege of practicing, that is, representing taxpayers, before the Internal Revenue Service. Enrolled agents, like attorneys and certified public accountants (CPAs), are unrestricted as to which taxpayers they can represent, what types of tax matters they can handle, and which IRS offices they can practice before.

There are two tracks to becoming an enrolled agent. The two tracks are:

- Written examination. You can become an enrolled agent by demonstrating special competence in tax matters by taking a written examination. This track requires that you -
    - Apply to take the Special Enrollment Examination (SEE);
    - Achieve passing scores on all parts of the SEE;
    - Apply for enrollment; and
    - Pass a background check to ensure that you have not engaged in any conduct that would justify the suspension or disbarment of an attorney, CPA, or enrolled agent from practice before the IRS.
- IRS experience. You can become an enrolled agent by virtue of past service and technical experience with the IRS that qualifies you for enrollment. This track requires that you -
    - Possess the years of past service and technical experience;
    - Apply for enrollment; and
    - Pass a background check to ensure that you have not engaged in any conduct that would justify the suspension or disbarment of an attorney, CPA, or enrolled agent from practice before the IRS.

More information regarding enrolled agents is available at http://www.irs.gov.

ITEM 3 - Disciplinary Information

Maureen Verduyn has no disciplinary history to disclose.

ITEM 4 - Other Business Activities

Maureen Verduyn engages in sales of securities as a registered representative of a licensed broker/dealer and sales of insurance products as a licensed insurance agent. Maureen is licensed in California under insurance license # 0C63406. Please refer to ***Item 10 - Other Financial Industry Activities and Affiliations*** and ***Requirements for State-Registered Advisers*** in our brochure, Form ADV Part 2A, above, for more information regarding these activities.

ITEM 5 - Additional Compensation

Maureen Verduyn receives compensation for the sale of securities and insurance products. Please refer to ***Item 5 - Fees and Compensation: Other Compensation*** and ***Item 10 - Other Financial Industry Activities and Affiliations*** in our brochure, Form ADV Part 2A, above, for more information regarding the compensation associated with these activities.

ITEM 6 - Supervision

Maureen Verduyn, CEO, is the sole Principal of TFTI and supervises all employees.

ITEM 7 - Requirements for State-Registered Advisers

Maureen Verduyn has no additional disclosures.

Margaret “Peggy” Lombardo

ITEM 2 - Educational Background and Business Experience

Margaret “Peggy” Lombardo, CFP, EA, Consultant, b. 1947

Education:
B.A.; University of Vermont, 1968
Enrolled Agent, Internal Revenue Service, 1990
Certified Financial Planner, 1986

Business Background:
The Financial Team, Inc., Consultant, 2014 to present
The Financial Team, Inc., Principal, 1998 to 2013
TFT Advisors, LLC, Managing Member, 2006 to 2010
Rance King Securities Corp., Registered Representative, 2010 to present
Lighthouse Capital Corporation, Registered Representative, 2006 to 2009
QA3 Financial Corp, Registered Representative and Investment Adviser Representative, 1998 to 2006

Professional Designations

Certified Financial Planner

The CERTIFIED FINANCIAL PLANNER™ and CFP® (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. The CFP® is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients.

To earn the credential, each CFP® candidate must have a bachelor’s degree (or higher) from an accredited college or university and three years of full-time personal financial planning experience. In addition, candidates must take the CFP® Certification examination and complete a CFP® -board registered program or hold an accepted designation, degree or license. Every two years, CFP ® certificate holders must complete a minimum of 30 hours of continuing education. More information regarding the CFP® is available at http://www.cfp.net/default.asp.

Enrolled Agent

An enrolled agent (EA) is a person who has earned the privilege of practicing, that is, representing taxpayers, before the Internal Revenue Service. Enrolled agents, like attorneys and certified public accountants (CPAs), are unrestricted as to which taxpayers they can represent, what types of tax matters they can handle, and which IRS offices they can practice before.

There are two tracks to becoming an enrolled agent. The two tracks are:

- Written examination. You can become an enrolled agent by demonstrating special competence in tax matters by taking a written examination. This track requires that you -
    - Apply to take the Special Enrollment Examination (SEE);
    - Achieve passing scores on all parts of the SEE;
    - Apply for enrollment; and
    - Pass a background check to ensure that you have not engaged in any conduct that would justify the suspension or disbarment of an attorney, CPA, or enrolled agent from practice before the IRS.
- IRS experience. You can become an enrolled agent by virtue of past service and technical experience with the IRS that qualifies you for enrollment. This track requires that you -
    - Possess the years of past service and technical experience;
    - Apply for enrollment; and
    - Pass a background check to ensure that you have not engaged in any conduct that would justify the suspension or disbarment of an attorney, CPA, or enrolled agent from practice before the IRS.

More information regarding enrolled agents is available at http://www.irs.gov.

ITEM 3 - Disciplinary Information

Margaret "Peggy" Lombardo has no disciplinary history to disclose.

ITEM 4 - Other Business Activities

Margaret "Peggy" Lombardo engages in sales of securities as a registered representative of a licensed broker/dealer and sales of insurance products as a licensed insurance agent. Peggy is licensed in California under insurance license # 0668431. Please refer to ***Item 10 - Other Financial Industry Activities and Affiliations*** and ***Requirements for State-Registered Advisers*** in our brochure, Form ADV Part 2A, above, for more information regarding these activities.

ITEM 5 - Additional Compensation

Margaret "Peggy" Lombardo receives compensation for the sale of securities and insurance products. Please refer to ***Item 5 - Fees and Compensation: Other Compensation*** and ***Item 10 - Other Financial Industry Activities and Affiliations*** in our brochure, Form ADV Part 2A, above, for more information regarding the compensation associated with these activities.

ITEM 6 - Supervision

Maureen Verduyn, CEO, is the sole Principal of TFTI and supervises all employees.

ITEM 7 - Requirements for State-Registered Advisers

Margaret "Peggy" Lombardo has no additional disclosures

Client Privacy Notice

Your relationship with The Financial Team, Inc. is based on trust and confidence. To fulfill our responsibilities to you, The Financial Team, Inc. requires that you provide current and accurate financial and personal information. The Financial Team, Inc. will protect the information you have provided in a manner that is safe, secure, and professional. The Financial Team, Inc. and our employees are committed to protecting your privacy and to safeguarding that information.

Categories of Information We Collect

We may collect the following kinds of confidential personal information about you:

- Information we receive from you on applications or other forms, such as your name, address, phone number, social security number, occupation, assets, income and other financial and family information;
- Information about your transactions with us or with brokerages, banks, and custodians with whom you hold investment or cash accounts. This information includes account numbers, holdings, balances, transaction history, and other financial and investment activities.

Sharing Nonpublic Personal and Financial Information

The Financial Team, Inc. is committed to the protection and privacy of your personal and financial information. The Financial Team, Inc. will not share such information with any non-affiliated third party except:

- When necessary to complete an account transaction such as with the clearing firm or account custodians;
- When required to maintain or service the account;
- To resolve customer disputes;
- When requested by a fiduciary or beneficiary on the account;
- To our attorneys, accountants or compliance consultants;
- When required by a regulatory agency, or for other reasons required or permitted by law;
- In connection with a sale or merger of The Financial Team, Inc.'s business;
- In any circumstance that has your instruction or consent.

Protection of Personal Information

We restrict access to your personal and account information to those employees who need to know that information to provide products or services to you. We maintain physical, electronic, and procedural safeguards to guard your personal information.

Former Customers

If you close your account(s) or become an inactive customer, we will adhere to the privacy policies and practices as described in this notice.

If you require any additional information regarding The Financial Team, Inc.'s privacy practices, please contact us:

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