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Name of Investment Adviser: Financial Management Professionals, Inc.				
Address: (Number and Street)	(City)	(State)	(Zip Code)	Area Code Telephone Number
6034 West Courtyard Dr., Ste. 380	Austin	TX	78730	512 329-5174

This part of Form ADV gives information about the investment adviser and its business for the use of clients. The information has not been approved or verified by any governmental authority.

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(Schedules A, B, C, D, and E are included with Part I of this Form, for the use of regulatory bodies, and are not distributed to clients.)

Potential Persons who are not to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

1. A. Advisory Services and Fees. (check the applicable boxes) For each type of service provided, state the approximate % of total advisory billings from that service. (See instruction below.)

Applicant:

<input type="radio"/> (1) Provides investment supervisory services	_____ %
<input checked="" type="radio"/> (2) Manages investment advisory accounts not involving investment supervisory services	96 %
<input type="radio"/> (3) Furnishes investment advice through consultations not included in either service described above	_____ %
<input type="radio"/> (4) Issues periodicals about securities by subscription	_____ %
<input type="radio"/> (5) Issues special reports about securities not included in any service described above	_____ %
<input type="radio"/> (6) Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which client may use to evaluate securities	_____ %
<input checked="" type="radio"/> (7) On more than an occasional basis, furnishes advice to clients on matters not involving securities	4 %
<input type="radio"/> (8) Provides a timing service	_____ %
<input type="radio"/> (9) Furnishes advice about securities in any manner not described above	_____ %

(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)

B. Does applicant call any of the services it checked above financial planning or some similar term? Yes No

C. Applicant offers investment advisory services for: (check all that apply)

<input checked="" type="radio"/> (1) A percentage of assets under management	<input type="radio"/> (4) Subscription fees
<input checked="" type="radio"/> (2) Hourly charges	<input type="radio"/> (5) Commissions
<input checked="" type="radio"/> (3) Fixed fees (not including subscription fees)	<input type="radio"/> (6) Other

D. For each checked box in A above, describe on Schedule F:

- the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee
- applicant's basic fee schedule, how fees are charged and whether its fees are negotiable
- when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

2. Types of Clients -- Applicant generally provides investment advice to: (check those that apply)

<input checked="" type="radio"/> A. Individuals	<input type="radio"/> E. Trusts, estates, or charitable organizations
<input type="radio"/> B. Banks or thrift institutions	<input type="radio"/> F. Corporations or business entities other than those listed above
<input type="radio"/> C. Investment companies	<input type="radio"/> G. Other (describe on Schedule F)
<input checked="" type="radio"/> D. Pension and profit sharing plans	

3. Types of Investments Applicant offers advice on the following: (check those that apply)

<input type="checkbox"/> A. Equity securities	<input type="checkbox"/> H. United States governmental securities
<input type="checkbox"/> (1) exchange-listed securities	
<input type="checkbox"/> (2) securities traded over-the-counter	<input type="checkbox"/> I. Options contracts on:
<input type="checkbox"/> (3) foreign issuers	<input type="checkbox"/> (1) securities
	<input type="checkbox"/> (2) commodities
<input type="checkbox"/> B. Warrants	
<input type="checkbox"/> C. Corporate debt securities (other than commercial paper)	<input type="checkbox"/> J. Futures contracts on:
<input type="checkbox"/> D. Commercial paper	<input type="checkbox"/> (1) tangibles
<input type="checkbox"/> E. Certificates of deposit	<input type="checkbox"/> (2) intangibles
<input type="checkbox"/> F. Municipal securities	
<input type="checkbox"/> G. Investment company securities:	<input type="checkbox"/> K. Interests in partnerships investing in:
<input type="checkbox"/> (1) variable life insurance	<input type="checkbox"/> (1) real estate
<input type="checkbox"/> (2) variable annuities	<input type="checkbox"/> (2) oil and gas interests
<input type="checkbox"/> (3) mutual fund shares	<input type="checkbox"/> (3) other (explain on Schedule F)
	<input type="checkbox"/> L. Other (explain on Schedule F)

4. Methods of Analysis, Sources of Information, and Investment Strategies.

A. Applicant's security analysis methods include: (check those that apply)

<input type="checkbox"/> (1) Charting	<input type="checkbox"/> (4) Cyclical
<input type="checkbox"/> (2) Fundamental	<input type="checkbox"/> (5) Other (explain on Schedule F)
<input type="checkbox"/> (3) Technical	

B. The main sources of information applicant uses include: (check those that apply)

<input type="checkbox"/> (1) Financial newspapers and magazines	<input type="checkbox"/> (5) Timing services
<input type="checkbox"/> (2) Inspections of corporate activities	<input type="checkbox"/> (6) Annual reports, prospectuses, filings with the Securities and Exchange Commission
<input type="checkbox"/> (3) Research materials prepared by others	<input type="checkbox"/> (7) Company press releases
<input type="checkbox"/> (4) Corporate rating services	<input type="checkbox"/> (8) Other (explain on Schedule F)

C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)

<input type="checkbox"/> (1) Long term purchases (securities held at least a year)	<input type="checkbox"/> (5) Margin transactions
<input type="checkbox"/> (2) Short term purchases (securities sold within a year)	<input type="checkbox"/> (6) Option writing, including covered options, uncovered options, or spreading strategies
<input type="checkbox"/> (3) Trading (securities sold within 30 days)	<input type="checkbox"/> (7) Other (explain on Schedule F)
<input type="checkbox"/> (4) Short sales	

5. Education and Business Standards. Yes No

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients?.....

(If yes, describe these standards on Schedule F.)

6. Education and Business Background.

For:

- each member of the investment committee or group that determines general investment advice to be given to clients, or
- if the applicant has no investment committee or group, each individual who determines general investment advice given to clients (if more than five, respond only for their supervisors)
- each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

• name	• formal education after high school
• year of birth	• business background for the preceding five years

7. Other Business Activities. (check those that apply)

A. Applicant is actively engaged in a business other than giving investment advice.

B. Applicant sells products or services other than investment advice to clients.

C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.

(For each checked box describe the other activities, including the time spent on them, on Schedule F.)

8. Other Financial Industry Activities or Affiliations. (check those that apply)

A. Applicant is registered (or has an application pending) as a securities broker-dealer.

B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.

C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:

<input type="radio"/> (1) broker-dealer	<input type="radio"/> (7) accounting firm
<input type="radio"/> (2) investment company	<input type="radio"/> (8) law firm
<input type="radio"/> (3) other investment adviser	<input type="radio"/> (9) insurance company or agency
<input type="radio"/> (4) financial planning firm	<input type="radio"/> (10) pension consultant
<input type="radio"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant	<input type="radio"/> (11) real estate broker or dealer
<input type="radio"/> (6) banking or thrift institution	<input type="radio"/> (12) entity that creates or packages limited partnerships

(For each checked box in C, on Schedule F identify the related person and describe the relationship and the arrangements.) Yes No

D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest?...

(If yes, describe on Schedule F the partnerships and what they invest in.)

9. Participation of Interest in Client Transactions.

Applicant or a related person: (check those that apply)

- A. As principal, buys securities for itself from or sells securities it owns to any client.
- B. As broker or agent effects securities transactions for compensation for any client.
- C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.
- D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- E. Buys or sells for itself securities that it also recommends to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

Describe, on Schedule F, your code of ethics, and state that you will provide a copy of your code of ethics to any client or prospective client upon request.

10. Conditions for Managing Accounts. Does the applicant provide investment supervisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services <i>and</i> impose a minimum dollar value of assets or other conditions for starting or maintaining an account?	Yes	No
	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(If yes, describe on Schedule F.)		

11. Review of Accounts. If applicant provides investment supervisory services, manages investment advisory accounts, or holds itself out as providing financial planning or some similarly termed services:

- A. Describe below the reviews and reviewers of the accounts. **For reviews**, include their frequency, different levels, and triggers factors. **For reviewers**, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.
The Adviser gives a client a choice of how often the past performance of his account should be reviewed. The Adviser will not consider reviewing accounts more often than quarterly, but most clients choose semi-annual or annual reviews. Reviews of past performance are done by either Harry Milton Hixson, Kevin Edmond Hixson, John Carroll Hixson Jr., Paul Edward Hixson, Adam Palmer Todd, or David Harmon Theobald, Jr. The review is focused on the performance of the account and does not involve a comprehensive review of a client's financial condition or plan. If a client wants to consider changing the style of management or risk level of his account, the client is provided a risk assessment questionnaire and is told to consider completing it at a later time. If the client returns the questionnaire to the Adviser, then the Adviser reviews the questionnaire and determines if a change should be made in the handling of the account. The firm intends to limit each reviewer's number of clients to 300.
- B. Describe below the nature and frequency of regular reports to clients on their accounts.
Clients are provided reports on a quarterly frequency. The reports provided are (1) a Current Value Report showing the value of each security held in the account, (2) a Change in the Value of the Account during the current calendar year, (3) an internal rate of return report, and (4) a listing of any deposits or withdrawals from the account by the client.

12. Investment or Brokerage Discretion.

A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:

- | | | |
|--|-----------------------|-----------------------|
| (1) securities to be bought or sold? | Yes | No |
| | <input type="radio"/> | <input type="radio"/> |
| (2) amount of the securities to be bought or sold? | Yes | No |
| | <input type="radio"/> | <input type="radio"/> |
| (3) broker or dealer to be used? | Yes | No |
| | <input type="radio"/> | <input type="radio"/> |
| (4) commission rates paid? | Yes | No |
| | <input type="radio"/> | <input type="radio"/> |

B. Does applicant or a related person suggest brokers to clients? Yes No

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4) or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

- the products, research and services
- whether clients may pay commission higher than those obtainable from other brokers in return for those products and services
- whether research is used to service all of applicant's accounts or just those accounts paying for it; and
- any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for products and research services received.

13. Additional Compensation.

Does the applicant or a related person have any arrangements, oral or in writing, where it:

- | | | |
|---|-----------------------|-----------------------|
| A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients? | Yes | No |
| | <input type="radio"/> | <input type="radio"/> |
| B. directly or indirectly compensates any person for client referrals? | <input type="radio"/> | <input type="radio"/> |

(For each yes, describe the arrangements on Schedule F.)

14. Balance Sheet. Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

- has custody of client funds or securities (unless applicant is registered or registering only with the Securities and Exchange Commission); or
 - requires prepayment of more than \$500 in fees per client and 6 or more months in advance
- Has applicant provided a Schedule G balance sheet? Yes No

**Schedule F of
Form ADV
Continuation Sheet for Form ADV
Part II**

Applicant: Financial Management Professionals, Inc.	SEC File Number: 801- 30367	Date: 03-23-2007
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Form ADV: Financial Management Professionals, Inc.	IRS Empl. Ident. No.:
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Item of Form (identify)	Answer
1(A) 2	<p>The Adviser manages investment accounts based on periodic review, approximately semiannual. Fees are negotiated in advance and then fixed by contract for a period of one year. The fees as stated in the contract are the sum of a percentage of assets, a First Trust account fee and a flat fee. The flat fee amount ranges from \$0 - to - \$1,100 depending upon frequency of meetings, the level of the adviser's review responsibilities, and other factors. The percentage of asset range is between .15% to 2%. The percentage fee varies depending on the amount of assets managed, type of account (pooled, daily valued, 403-b, etc.) the level of the adviser's review responsibilities, and the asset mix desired. Group or family fee schedules providing reduced fees are used for clients where they can be applied. Fees are usually paid quarterly in advance. The adviser may charge a \$250.00 fee for major liquidation or account cancellation. The client or the adviser may terminate at any time and a refund will be made for the value of services paid but not yet rendered.</p> <p>The adviser's investment strategies are designed to evaluate most areas of investment risk by combining his advisory services with those of no-load mutual fund managers. The majority of investment products the adviser recommends are no-load mutual funds that pay no commissions. No investment strategy can guarantee a client will outperform the market or make money but it is important to evaluate risk. The advisers service is intended to evaluate the clients exposure to market risk, business cycle risk, interest rate risk, and financial risk. By using mutual funds the client receives the following additional services:</p> <ol style="list-style-type: none"> 1. Professional investment management directed to reduce the business and financial risk associated with specific stock or bond securities, 2. Diversification of securities, 3. No charge for purchase or sale of the mutual fund thus reducing transaction cost. <p>No-load mutual funds, like all mutual funds, are compensated for their services by the deduction of a daily management fee. This fee is in addition to the adviser's fee described above.</p> <p>The adviser's managed investment accounts may include a tactical asset allocation service. The tactical asset allocation service provided is to enable clients to adjust their exposure to equity and fixed income investments when the tactical asset allocation service indicates such adjustments should be made. The tactical asset allocation service is based upon market momentum models which operate on market technical information. The tactical asset allocation service model thus indicates when investment exposure should be adjusted by switching from longer-term investments to shorter-term investments such as money market funds. If clients execute a discretionary trading authority agreement, these switches can be performed automatically by the adviser. The adviser's fee for this service is included as part of the investment management fee described above.</p>

**Schedule F of
Form ADV
Continuation Sheet for Form ADV
Part II**

Applicant: Financial Management Professionals, Inc.	SEC File Number: 801- 30367	Date: 03-23-2007
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

I. Full name of applicant exactly as stated in Item 1A of Form ADV: Financial Management Professionals, Inc.	IRS Empl. Ident. No.:
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Item of Form (identify)	Answer
1A(3)	The adviser occasionally provides investment advice as an incidental part of furnishing advice to clients on other matters. Fees are either an hourly rate of up to \$150 or a fixed fee for the financial advice. The client or the adviser may terminate at any time and a refund will be made for the value of services paid but not yet rendered..
1A(7)	The adviser is also engaged in the business of personal financial planning, which encompasses more than investment advice. Approximately 4% of the time is spent in this type of engagement.
4C(7)	By its nature financial planning looks at the long term. After making sure that a client's short term needs, emergency funds, and insurance needs are covered, we design investment strategies to help achieve his or her financial goals.
5	<p>Financial Management Professionals, Inc. requires a college degree as the minimum standard for its professional staff.</p> <p>The education and business background for the following individuals: Harry Milton Hixson; DOB 1950; Baylor University, Waco, TX-BBA Accounting; Financial Management Professionals, Inc. 1987 to Present.</p> <p>John Carroll Hixson, Jr.; DOB 1961; Baylor University, Waco, TX-BBA Marketing & Business Management, Georgia State University, Atlanta, GA-Masters Insurance & Financial Planning; Financial Management Professionals, Inc. 1993 to Present.</p> <p>Kevin Edmond Hixson; DOB 1967; Baylor University, Waco, TX-BBA Financial Planning; Financial Management Professionals, Inc. 1989 to Present</p> <p>Paul Edward Hixson; DOB 1963; Baylor University, Waco, TX-BBA Finance & Insurance; McNeese State University, Lake Charles, LA; Financial Management Professionals, Inc. 1996 to Present.</p> <p>Adam Palmer Todd; DOB 1974; Baylor University, Waco, TX-BBA Financial Planning; Financial Management Professionals, Inc. 1997 to Present</p> <p>David Harmon Theobald, Jr.; DOB 1949; Lamar University, Beaumont, TX-BBA Accounting; Benefits Management Group, Beaumont, TX 1995 to Present</p> <p>Marc Lester Hixson; DOB 1975; Baylor University, Waco, TX-BBA Management Information Systems; Financial Management Professionals, Inc. 1998 to Present.</p>

**Schedule F of
Form ADV
Continuation Sheet for Form ADV
Part II**

Applicant: Financial Management Professionals, Inc.	SEC File Number: 801- 30367	Date: 03-23-2007
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Form ADV: Financial Management Professionals, Inc.	IRS Empl. Ident. No.:
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Item of Form (identify)	Answer
9	Casey Clay Hall; DOB 1983; Baylor University, Waco, TX-BBA Financial Services & Planning; Financial Management Professionals, Inc. 2006 to Present.
9E	Code of Ethics: Financial Management Professionals, Inc. representatives and all employees maintain a strict Code of Ethics based upon the principal of our fiduciary duty to our clients to conduct affairs, including personal securities transactions, in such a manner as to avoid (i) serving our own personal interests ahead of our clients, (ii) taking inappropriate advantage of our position with the firm and (iii) any actual or potential conflicts of interest or any abuse of our position of trust and responsibility. Financial Management Professionals, Inc. has an affirmative duty of utmost good faith to act solely in the best interest of our clients. Financial Management Professionals will provide a copy of our Code of Ethics to any client or prospective client upon request.
12A(1), (2)	Often the risk levels and goals of our accounts will correspond with those of our client's and we will have the same investments as our clients. We consider the total of our accounts and our investors accounts to be too small to noticeably affect the markets.
12A(3) and (4), 12B and 13A	The adviser may determine the specific security and amount to be bought or sold if the client has executed a discretionary trading authority agreement with the adviser. Some of the factors the adviser bases these decisions on are the responses the client has made to a risk questionnaire, market and economic conditions, and the size of the client's portfolio.
	Financial Management Professionals (FMP) may recommend that clients establish accounts with either Fiserv Investment Support Services (Fiserv) or with Schwab Institutional (Schwab) division of Charles Schwab & Co., Inc. to maintain custody of client's assets and to effect trades for their accounts. Financial Management Professionals is independently owned and operated and not affiliated with either custodian. Which custodian is recommended depends on the management strategy to be implemented, the fees charged by the custodian, and the preferences expressed by the client. Fiserv and Schwab provide FMP with access to their institutional trading and custody services, which are typically not available to retail investors. Fiserv charges FMP fees for these services. FMP does not directly pass these fees to its clients except in the case of transaction charges for stocks, exchange traded funds, or bond transactions. Schwab offers these services to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor's assets are maintained at Schwab Institutional. For FMP client accounts maintained with Schwab, Schwab generally does not charge separately for custody but is compensated by account holders through commissions or other transaction- related fees for securities trades that are executed through Schwab or that settle into Schwab accounts. These custodian's provide services which include trading, custody,

**Schedule F of
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Continuation Sheet for Form ADV
Part II**

Applicant: Financial Management Professionals, Inc.	SEC File Number: 801- 30367	Date: 03-23-2007
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Form ADV: Financial Management Professionals, Inc.	IRS Empl. Ident. No.:
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Item of Form (identify)	Answer
13A	<p>research (Schwab only) and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.</p> <p>Fiserv and Schwab also make available to FMP other products and services that benefit FMP but may not benefit its client's accounts. Some of these other products or services assist FMP in managing and administering client's accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements); facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts); provide research (Schwab only), pricing information and other market data; facilitate payment of FMP fees from its client's accounts; and assist with back-office functions, recordkeeping and client reporting. Many of these services generally may be used to service all or a substantial number of FMP accounts, including accounts not maintained at either of these custodians. These custodians also make available to FMP other services intended to help FMP manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance and marketing. In addition the custodians may make available, arrange and /or pay for these types of services or pay all or a part of the fees of a third party providing these services to FMP. While as a fiduciary, FMP endeavors to act in its clients' best interest, FMP may recommend that clients maintain their assets with these custodians in part on the benefit to FMP of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided. Thus these services may create a potential conflict of interest and result in FMP recommending the use of these custodians even though lower commission may be charged by a custodian or broker who does not offer similar services.</p> <p>Harry Milton Hixson in years prior to 1994 had a life insurance license and served as an agent or broker with several life insurance companies. Starting in 1994, he discontinued his life insurance license and no longer serves as an agent or broker for the sale of life insurance products. However, as the result of sales products in prior years, he continues to receive renewal year commissions when a policyholder pays his premium. This commission income is compensation for services he provides to the remaining policyholders. Financial Management Professionals does not consider these commissions to be material to its business since they represent less than 1% of the total annual revenue.</p>

**Schedule F of
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Applicant: Financial Management Professionals, Inc.	SEC File Number: 801- 30367	Date: 03-23-2007
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Form ADV: Financial Management Professionals, Inc.	IRS Empl. Ident. No.:
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Item of Form (identify)	Answer