

**FORM ADV****Part II - Page 1****Uniform Application for Investment Adviser Registration****OMB APPROVAL**

OMB Number 3235-0049  
Expires May 31, 1997  
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hours per response. . . .9.01

Name of Investment Adviser: <b>Lakeside Advisors, Inc.</b>			
Address: (Number and Street)	(City)	(State)	(Zip Code)
<b>1115 East Denny Way,</b>	<b>Seattle, WA</b>	<b>98122</b>	
Area Code: Telephone Number:			
<b>(206) 285-1730</b>			

**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 government 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.)

**FORM ADV****Part II - Page 2**

Applicant:

**Lakeside Advisors, Inc.**

SEC File Number:

**801-21230**

Date:

**1/31/09**

## Definitions for Part II

Related person - Any officer, director or partner of applicant or any person directly or indirectly controlling, controlled by, or under common control with the applicant, including any non-clerical, non-ministerial employee.

Investment Supervisory Services - Giving continuous investment advice to a client (or making investments for the client) based on the individual needs of the client. Individual needs include, for example, the nature of other client assets and the client's personal and family obligations.

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 checked="" type="checkbox"/> | (1) | Provides investment supervisory services .....  | <u>100%</u> |
| <input checked="" type="checkbox"/> | (2) | Manages investment advisory accounts not involving investment supervisory services .....  | <u>0%</u>   |
| <input checked="" type="checkbox"/> | (3) | Furnishes investment advice through consultations not included in either service described above .....  | <u>0%</u>   |
| <input type="checkbox"/>            | (4) | Issues periodicals about securities by subscription .....   | <u>0%</u>   |
| <input type="checkbox"/>            | (5) | Issues special reports about securities not included in any service described above .....   | <u>0%</u>   |
| <input type="checkbox"/>            | (6) | Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities ..... | <u>0%</u>   |
| <input type="checkbox"/>            | (7) | On more than an occasional basis, furnishes advice to clients on matters not involving securities .....   | <u>0%</u>   |
| <input type="checkbox"/>            | (8) | Provides a timing service .....   | <u>0%</u>   |
| <input type="checkbox"/>            | (9) | Furnishes advice about securities in any manner not described above .....   | <u>0%</u>   |

(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 the applicant call any of the services it checked above financial planning or some similar term? ..... | Yes<br><input checked="" type="checkbox"/> | No<br><input type="checkbox"/> |
|----|---|--|--------------------------------|

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

- |                                     |     |  |                          |     |                   |
|-------------------------------------|-----|--|--------------------------|-----|-------------------|
| <input checked="" type="checkbox"/> | (1) | A percentage of assets under management      | <input type="checkbox"/> | (4) | Subscription fees |
| <input checked="" type="checkbox"/> | (2) | Hourly charges                               | <input type="checkbox"/> | (5) | Commissions       |
| <input checked="" type="checkbox"/> | (3) | Fixed fees (not including subscription fees) | <input type="checkbox"/> | (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="checkbox"/> | A. | Individuals                      | <input checked="" type="checkbox"/> | E. | Trusts, estates, or charitable organizations                    |
| <input type="checkbox"/>            | B. | Banks or thrift institutions     | <input checked="" type="checkbox"/> | F. | Corporations or business entities other than those listed above |
| <input type="checkbox"/>            | C. | Investment companies             | <input type="checkbox"/>            | G. | Other (describe on Schedule F)                                  |
| <input checked="" type="checkbox"/> | D. | Pension and profit sharing plans |                                     |    |   |

**Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).**

**FORM ADV****Part II - Page 3**

Applicant:

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801- **21230**

Date:

**1/31/09****3. Types of Investments.** Applicant offers advice on the following: (check those that apply)

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

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

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

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

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

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

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

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

**Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).**

**FORM ADV****Part II - Page 4**

Applicant:

**Lakeside Advisors, Inc.**

SEC File Number:

**801-21230**

Date:

**1/31/09****5. Education and Business Standards.**

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

Yes No  
☒ ☐

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

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

Yes No  
☐ ☒

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

**Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).**

**FORM ADV****Part II - Page 5**

Applicant:

**Lakeside Advisors, Inc.**

SEC File Number:

801- 21230

Date:

1/31/09

**9. Participation or 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.)

- 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 *and* impose a minimum dollar value of assets or other conditions for starting or maintaining an account? . . . . .

Yes No  
☒ ☐

(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 triggering 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.

**Principals of Lakeside Advisors, Inc. are responsible for review of investment supervised accounts. Reviews are scheduled annually for all clients, unless required more frequently by the client's investment exposure (major shift in stock market trends, for example), federal income tax (estimate of quarterly income tax payments), or changes in the client's personal life (marriage, birth of a new child, retirement, etc.) There is no quota of accounts for each principal to review, and Lakeside Advisors, Inc. limits its supervisory contracts to the ability of the principals to service the accounts. Except for the annual review, accounts are reviewed in accordance with client needs, as are the matters reviewed.**

**Accounts managed on a discretionary basis are reviewed by the principals of Lakeside Advisors, Inc. on a continuous basis so that appropriate changes can be effected.**

- B. Describe below the nature and frequency of regular reports to clients on their accounts.

**Each financial planning client receives an updated balance sheet at least once a year, as well as a summary of the progress of his or her investments. Reports on other matters vary, according to client needs, and cover such items as retirement funding progress and real estate investment performance.**

**Discretionary managed accounts are provided quarterly or more frequent reporting, depending upon the client's requirements.**

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

Applicant:

Lakeside Advisors, Inc.

SEC File Number:

801-21230

Date:

1/31/09

**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

☒ ☐

(2) amount of the securities to be bought or sold ? . . . . .

Yes No

☒ ☐

(3) broker or dealer to be used ? . . . . .

Yes No

☒ ☐

(4) commission rates paid? . . . . .

Yes No

☒ ☐

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 commissions 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

☐ ☒

B. directly or indirectly compensates any person for client referrals? . . . . .

Yes No

☐ ☒

(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; 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

☐ ☒

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

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

Applicant: <b>Lakeside Advisors, Inc.</b>	SEC File Number: <b>801-21230</b>	Date: <b>1/31/09</b>
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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 Part I of Form ADV: <b>Lakeside Advisors, Inc.</b>		IRS Empl. Ident. No.: <b>91-1245531</b>
Item of Form (identify)	Answer	
ADV PT II Page 2 1.A.(1)	Investment supervisory services involve discretionary management of accounts maintained by individuals, corporations, trusts and qualified plans. Discretion may be maintained over individual securities, mutual funds, certificates of deposit and other asset classes. Fees are negotiable and typically relate to both the size of the account(s) as well as differing styles of management. Fees are payable quarterly, in advance, and are refundable on a pro-rata basis in the event management ceases to be performed because of contract termination by either client or Adviser. The most common investment supervisory fee is 0.5% of assets annually, unless circumstances warrant negotiating a lower fee.	
ADV PT II Page 2 1.A.(1)	Lakeside Advisors, Inc. provides financial analyses, reports and plans for clients. These include analysis of the client's current financial position, as well as his or her current investment portfolio. Where appropriate, suggestions include methods whereby the client's current asset base might be repositioned so he might better achieve his overall financial goals. Compensation for this advice is included as part of the cost of the financial analysis, report or plan. The basis of compensation for the overall service depends upon the time involved and expenses incurred. Fees are not negotiable, but clients may choose whether to be billed at an hourly rate of \$175, or on a firm bid. Fees which are bid in advance are based on the number of expected billing hours times \$175. Prospective clients are guaranteed fees will not exceed the bid unless they request services to be performed over and above those specified in the original contract. One half of the estimated fee or bid is payable in advance and is considered earned when the preliminary report is delivered. The balance is payable and considered earned when the final report is delivered. Unearned fees will be kept in a separate trust account until earned. Contracts may be terminated unilaterally without cause. If either party terminates the contract, all fees less accumulated billing time are refunded. All contracts terminate upon completion of the service agreed upon or six (6) months from the execution date of the contract, whichever comes first.	
ADV PT II Page 2 1.A.(1)	<p>Lakeside Advisors, Inc. also provides consulting services. Such services may be purchased by prospective or existing clients and may include a review of the client's financial goals and objectives, current financial position, insurance program, federal income taxes and estate plans. Fees, when charged, are negotiated in advance and are billed at \$175/hour. In all cases, clients are informed of expected changes prior to engaging Lakeside Advisors, Inc. for consulting services.</p> <p>Consulting services may include annual updates of a client's balance sheet; reviews of and consultations about the client's personal insurance policies (life, medical, disability, casualty) reviews of and consultations regarding the client's federal income tax planning; updates and reviews of capital accumulation programs initially recommended in a client's financial analysis, report or plan described above. Services rendered will depend on individual client needs and are frequently coordinated with the client's other advisers.</p> <p>There is a non-negotiable, minimum annual fee of \$600 for a consulting retainer, payable in advance on a quarterly basis. Minimum service accounts receive an annual balance sheet update, an annual investment portfolio review and up to two hours of consulting time. Contracts may be terminated unilaterally without cause. In the event either party terminates the contract, all fees less accumulated billing time is incurred, or at the rate of \$150 per calendar quarter, whichever occurs first. Additional investment supervisory services, as described above, may be purchased, and fees are based on the number of billing hours incurred times \$175, or as agreed.</p>	

**Complete amended pages in full, circle amended items and file with execution page (page 1).**

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

Applicant: <b>Lakeside Advisors, Inc.</b>	SEC File Number: <b>801-21230</b>	Date: <b>1/31/09</b>
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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 Part I of Form ADV: <b>Lakeside Advisors, Inc.</b>		IRS Empl. Ident. No.: <b>91-1245531</b>
Item of Form (identify)	Answer	
ADV PT II Page 2 1.A.(1)	Investment supervisory services involve discretionary management of accounts maintained by individuals, corporations, trusts and qualified plans. Discretion may be maintained over individual securities, mutual funds, certificates of deposit and other asset classes. Fees are negotiable and typically relate to both the size of the account(s) as well as differing styles of management. Fees are payable quarterly, in advance, and are refundable on a pro-rata basis in the event management ceases to be performed because of contract termination by either client or Adviser. The most common investment supervisory fee is 0.5% of assets annually, unless circumstances warrant negotiating a lower fee.	
ADV PT II Page 2 1.A.(1)	Lakeside Advisors, Inc. provides financial analyses, reports and plans for clients. These include analysis of the client's current financial position, as well as his or her current investment portfolio. Where appropriate, suggestions include methods whereby the client's current asset base might be repositioned so he might better achieve his overall financial goals. Compensation for this advice is included as part of the cost of the financial analysis, report or plan. The basis of compensation for the overall service depends upon the time involved and expenses incurred. Fees are not negotiable, but clients may choose whether to be billed at an hourly rate of \$175, or on a firm bid. Fees which are bid in advance are based on the number of expected billing hours times \$175. Prospective clients are guaranteed fees will not exceed the bid unless they request services to be performed over and above those specified in the original contract. One half of the estimated fee or bid is payable in advance and is considered earned when the preliminary report is delivered. The balance is payable and considered earned when the final report is delivered. Unearned fees will be kept in a separate trust account until earned. Contracts may be terminated unilaterally without cause. If either party terminates the contract, all fees less accumulated billing time are refunded. All contracts terminate upon completion of the service agreed upon or six (6) months from the execution date of the contract, whichever comes first.	
ADV PT II Page 2 1.A.(1)	Lakeside Advisors, Inc. also provides consulting services. Such services may be purchased by prospective or existing clients and may include a review of the client's financial goals and objectives, current financial position, insurance program, federal income taxes and estate plans. Fees, when charged, are negotiated in advance and are billed at \$175/hour. In all cases, clients are informed of expected changes prior to engaging Lakeside Advisors, Inc. for consulting services.  Consulting services may include annual updates of a client's balance sheet; reviews of and consultations about the client's personal insurance policies (life, medical, disability, casualty) reviews of and consultations regarding the client's federal income tax planning; updates and reviews of capital accumulation programs initially recommended in a client's financial analysis, report or plan described above. Services rendered will depend on individual client needs and are frequently coordinated with the client's other advisers.  There is a non-negotiable, minimum annual fee of \$600 for a consulting retainer, payable in advance on a quarterly basis. Minimum service accounts receive an annual balance sheet update, an annual investment portfolio review and up to two hours of consulting time. Contracts may be terminated unilaterally without cause. In the event either party terminates the contract, all fees less accumulated billing time is incurred, or at the rate of \$150 per calendar quarter, whichever occurs first. Additional investment supervisory services, as described above, may be purchased, and fees are based on the number of billing hours incurred times \$175, or as agreed.	

**Complete amended pages in full, circle amended items and file with execution page (page 1).**



**Schedule F of  
Form ADV**

**Continuation Sheet for Form ADV Part II**

Applicant: <b>Lakeside Advisors, Inc.</b>	SEC File Number: <b>801-21230</b>	Date: <b>1/31/09</b>
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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 Part I of Form ADV: <b>Lakeside Advisors, Inc.</b>		IRS Empl. Ident. No.: <b>91-1245537</b>
Item of Form (identify)	Answer	
ADV PT II Page 4 6.	<p>Robert E. Frey, Jr. - Born 1944</p> <p>Formal Education</p> <p>Certified Financial Planner Designation (1975) Graduate, Realtor Institute (1972) University of Washington, M.S. Chemistry (1967) Illinois Institute of Technology, B.S. Chemistry (1965)</p> <p>Business Background (5 yr):</p> <p>Registered Representative, KMS Financial Services, Inc. (present) President, Lakeside Advisors, Inc. (present) President, Securities Sources, Inc. (Inactive Publisher) Instructor for Financial Planning Courses (present)</p>	
ADV PT II Page 4 6.	<p>Kristi A. Mandt - Born 1957</p> <p>Formal Education:</p> <p>University of Puget Sound, Tacoma, WA B.A. Finance</p> <p>Certified Financial Planner Designation (1990)</p> <p>Business Background (5 yr)</p> <p>Registered Representative, Round Hill Securities, Inc., CA (1994-2005) Registered Representative, KMS Financial Services, Inc., WA (2005-present) President, Millikin Mandt Associates, Inc., WA (1994-present) Vice President, Lakeside Advisors, Inc., Seattle, WA (2005-present)</p>	
ADV PT II Page 4 6.	<p>Kurtis A. Millikin</p> <p>Formal Education:</p> <p>El Camino Community College</p> <p>Business Background (5 yr)</p> <p>Round Hill Securities, Inc., CA (1994-2005) Registered Representative, KMS Financial Services, Inc. (2005-present) CEO, Millikin Mandt Associates, Inc., WA, (1994-present) Vice President, Lakeside Advisors, Inc., Seattle, WA (2005-present)</p>	

Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of  
Form ADV**

**Continuation Sheet for Form ADV Part II**

Applicant:  
**Lakeside Advisors, Inc.**

SEC File Number:  
**801-21230**

Date:  
**1/31/09**

(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 Part I of Form ADV: <b>Lakeside Advisors, Inc.</b>		IRS Empl. Ident. No.: <b>91-1245537</b>
Item of Form (identify)	Answer	
ADV PT II Page 4 8.C.(3)	Lakeside Advisors, Inc. has previously entered into an agreements with other investment advisers, to employ their management specialties, but has none currently.	
ADV PT II Page 4 8.C.(3)	Lakeside Advisors, Inc. has entered into an agreeement with KMS Financial Service Inc., a Registered Investment Adviser and Securities Broker-Dealer, which agreement provides for a sharing of fees earned by Lakeside Advisors, Inc. on its discretionary managed accounts. L.A. pays to KMS 2.5-5% of the management fees earned from client accounts maintaining discretionary managed accounts. KMS has a regulatory duty to supervise the activities of its registered representatives, these amounts are designed to compensate for carrying out such duties	
ADV PT II Page 4 8.C.(9)	Lakeside Advisors, Inc. provides advice to clients relative to their insurance needs, including life, health, disability, property, and casualty coverages. Frequent consultation occurs with specialists, who are most often agents, brokers, or insurance company representatives. Lakeside Advisors, Inc. makes client referrals to such persons or companies but receives no compensation for doing so. Mr. Frey is an agent licensed in all lines of insurance coverage, and may, at times, receive payment directly for implementing specific insurance needs of clients.	

**Complete amended pages in full, circle amended items and file with execution page (page 1).**

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

Applicant: <b>Lakeside Advisors, Inc.</b>	SEC File Number: <b>801-21230</b>	Date: <b>1/31/09</b>
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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 Part I of Form ADV: <b>Lakeside Advisors, Inc.</b>		IRS Empl. Ident. No.: <b>91-1245537</b>
Item of Form (identify)	Answer	
ADV PT II Page 4 8.C.(1)	<p>Lakeside Advisors, Inc. is owned by Robert E. Frey, Jr. Although Lakeside Advisors, Inc is not a broker-dealer and therefore does not receive any commissions from securities transactions, Mr. Frey, Ms. Mandt &amp; Mr. Millikin are registered representatives of KMS Financial Services, Inc. an NASD Member firm. By virtue of such affiliation, commissions on securities transactions placed by clients through Frey, Mandt or Millikin may accrue to their benefit. There exists no other affiliation with KMS Financial Services, Inc. except to the extent that officers or principals of that firm may be asked, from time to time, to serve as independent directors of Lakeside Advisors, Inc. Clients of Lakeside Advisors, Inc. are neither expected nor obligated to purchase any product from KMS Financial Services, Inc. or from Frey, Mandt or Millikin, who may, at their sole discretion, select any broker-dealer through which investments will be placed. If judged appropriate, Lakeside Advisors, Inc. may recommend a number of broker-dealers and representatives, including Mr. Frey, Ms. Mandt or Mr. Millikin.</p>	
ADV PT II Page 5 9.B.	<p>Clients of Lakeside Advisors, Inc. are neither expected nor obligated to purchase any product from KMS Financial Services, Inc. Clients may, at their sole discretion, select any broker-dealer through which investments will be placed. If judged appropriate, Lakeside Advisors, Inc. may recommend a number of broker-dealer representatives, including Mr. Frey, Ms. Mandt and Mr. Millikin.</p> <p>Clients who wish to have securities transactions executed by Frey, Mandt or Millikin are advised that a potential conflict of interest may exist by virtue of dual (fee-commission) compensation. In the majority of cases, commission costs for advisory clients are reduced to either zero, in the case of most mutual funds, or some minimum "ticket" charge imposed by the firm executing the trade, in which case the potential for conflict is essentially non-existent.</p> <p>In addition to commissions which may occur on transactions, as described above, there is another element of compensation which may be paid through KMS Financial Services, Inc. Many mutual fund companies pay 12(b)(1) or "servicing" fees to dealers of record on existing accounts. These fees range from 0 to 1% per year, depending upon the particular fund group and fund, and are designed to compensate brokers and representatives for providing ongoing client service. Principals of Lakeside Advisors, Inc. receive a portion of such fees which are paid to KMS Financial Services, Inc. Such fee payments also represent a conflict of interest, but most often relate to service provided on assets held outside of the discretionary management.</p>	

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**Schedule F of  
Form ADV****Continuation Sheet for Form ADV Part II**Applicant:  
**Lakeside Advisors, Inc.**

SEC File Number:

801-21230

Date:

1/31/09

(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 Part I of Form ADV: <b>Lakeside Advisors, Inc.</b>		IRS Empl. Ident. No.: <b>91-1245537</b>
Item of Form (identify)	Answer	
ADV PT II Page 5 9.E.	<p>In their individual capacities, principals and employees of Lakeside Advisors, Inc. may purchase the same securities (both listed and over-the-counter) recommended to clients. A conflict of interest presents itself in all such instances and principals endeavor to proceed in a manner such that conflicts are eliminated or minimized.</p> <p>Participation of Interest in Client Transactions:</p> <p>Although certain of our directors, officers and employees sometimes purchase or sell securities that we recommend to clients, such purchases and sales are effected in accordance with our Insider Trading Policy and Code of Ethics. In general, such policy provides that no employee can direct the purchase or sale of any security while it is being traded by us and deemed to be restricted by us. In addition, no employee trading is permitted while a security is being considered for inclusion in the list of securities currently held in client accounts.</p> <p>Trading in securities is permitted with prior approval, although certain transactions do not require prior approval, including on-going participation in an issuer's dividend and stock purchase plan, any transaction over which the employee did not have any direct or indirect influence or control, involuntary transactions, such as mergers, inheritances and gifts and transactions involving the purchase and sale of certain debt instruments and of open-end investment companies so long as we are not the adviser or sub-adviser to such investment company.</p> <p>Employees are required to report all personal securities transactions to us, and we review such reports regularly. In order to insure that each of our directors, officers and employees strictly adheres to the highest standards of conduct and integrity in conducting business on behalf of our clients, we have each director, officer and employee sign our Insider Trading Policy and Code of Ethics.</p> <p>Clients or prospective clients may obtain a copy of our Code Of Ethics (Which includes our Insider Trading Policy) and other compliance policies and procedures by making a request in writing or by telephone to: Lakeside Advisors, Inc., 1115 East Denny Way, Seattle, Washington 98122 (telephone 206-285-1730, FAX 206-267-2316) or through an e-mail request to: bob@LakesideAdvisors.com.</p>	
ADV PT II Page 5 10	<p>The minimum investment for Investment Supervision or Discretionary Management accounts managed directly by Lakeside Advisors, Inc. is subject to individual determination. The practical minimum investment is typically \$100,000.</p>	

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Applicant: <b>Lakeside Advisors, Inc.</b>	SEC File Number: <b>801-21230</b>	Date: <b>1/31/09</b>
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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 Part I of Form ADV: <b>Lakeside Advisors, Inc.</b>		IRS Empl. Ident. No.:
Item of Form (identify)	Answer	
ADV PT II Page 6 12.A	<p>In those instances where the Adviser exercises specific discretionary authority, the Adviser may select for clients, and in their best interest, the specific broker-dealers through which transactions are effected and where accounts are custodied. Adviser constantly seeks to obtain the best prices net of commissions, whether principal or agency transactions.</p> <p>Adviser has the authority in discretionary accounts to determine the commissions charged, typically limited to the minimum ticket charge plus a broker's "handling charge," which in the instant case of Pershing LLC, varies from \$0 to \$18 for mutual funds, \$24 for equities and \$30 for bonds, plus \$2.50.</p>	
ADV PT II Page 6	<p>Portfolio transactions for fully discretionary accounts will be allocated to broker-dealers on the basis of best execution and in consideration of such broker-dealer's provision of, or payment of the costs of, certain services which are of benefit to the client's accounts. Factors considered are: (1) execution capabilities; (2) commission rate, financial responsibility and responsiveness; (3) value of research provided; (4) reputation, integrity and financial stability; (5) competitiveness of commission rates and spreads; (5) promptness of execution; (6) past history of execution of trades; (6) clearance and settlement capabilities; (7) quality of confirmations and account statements; (8) access to markets; (9) sophistication of trading facilities.</p> <p>Adviser strives to treat all clients in a fair manner, the basic principal underlying trade aggregation and allocation policy. Client trades in the same security MAY be bunched in a single order (a "block") in an effort to obtain best execution. Allocations are determined before such trade is placed. If application of this aggregation policy results in unfair or inequitable treatment, we may deviate from this policy. In practice, adviser maintains a current policy of entering trades individually and randomly, by employing a randomizing program, over a period of time. In this fashion, accounts are individually examined, not only to determine if (and how much of) a target security is suitable for the specific client, but also to determine if other changes are appropriate for said client. It is in this way we believe the client is best served by promoting continuous and thorough account reviews.</p>	

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