

Borris/Nii/Valdez & Company, Inc.

Company Brochure

An Introduction To Borris/Nii/Valdez & Company, Inc.

Company Background

- Howard M. Borris, CPA practiced as a sole-proprietor Business Manager-Certified Public Accountant from September 1, 1969 until March 5, 1978.
- Incorporated March 6, 1978, Borris/Nii/Valdez & Company, Inc. (**BNVCO**) is one of the oldest Business Management Firms in Los Angeles.
- In 1974, **BNVCO** became licensed with the California Department of Real Estate as a Real Estate Broker.
- The company's principle shareholder became a Registered Investment Advisor under the 1940 Investment Advisors Act in 1974, and in 1979 **BNVCO** registered with the State of California and the Securities and Exchange Commission.
- Howard M. Borris is the founder of the company, Robert Nii joined the organization in 1988 and Rick Valdez affiliated in 1994.
- In 1986, Greenbrier Diversified, Inc., (**GDI**) a Sister Company to **BNVCO** was formed. **GDI** is registered with the Securities and Exchange Commission, the State of California and the National Association of Securities Dealers as a Fully Disclosed Broker-Dealer. It is licensed as a California Life, Health and Disability Income Insurance Agency.

Overview

BNVCO is a financial services firm with a strong client service orientation. Our approach is to create an atmosphere of superior service no matter how many clients the company represents. The organization of the company provides that each client has a minimum of four persons dedicated to their business affairs.

The client's bookkeeper has the day-to-day responsibility of maintaining the accounts. Certified Public Accountants supervise the Bookkeepers, ensuring the client records are maintained in conformance with generally accepted accounting principles as promulgated by the American Institute of Certified Public Accountants

After consultation with the Client, the in-charge Executive sets the individual Clients' overall tax and investment policy, and works with their other professional advisors to create programs designed to mitigate taxation, establish a viable estate plan, conceive proper investments' allocation, and coordinate business affairs' involvements.

BNVCO's insurance department personnel supervise insurance claims and the management of commercial as well as business lines of insurance.

Successful people often lack the time and expertise to plan for their financial future, as frequently the demands of day-to-day business pressures distract them from making the appropriate personal financial decisions.

BNVCO will assist in creating a comprehensive personal financial plan tailored to your individual needs, goals and objectives. We also know that the development, implementation and follow-through of personal financial planning is absolutely essential if the seeds of your efforts today are to be translated into the fruits of financial freedom tomorrow.

An effective financial plan will smooth the eventual transfer of your assets to your family members, friends or charities, minimizing the impact of estate taxes. The plan will also assist you in striking a balance between your requirement for current income and your need for long-term asset growth to support living necessities over longer life expectancies.

INCOME TAX PLANNING--Taxes are a major consideration in any financial decision. At **BNVCO** we examine the construction of income and deductible expenses, attempting to coordinate investment-planning decisions in a manner that will provide for the exploration of every legal means to save money.

PLANNING YOUR ESTATE--Working with your other Advisors, Tax Attorneys, and Insurance Counselors we at **BNVCO** address the range of financial and estate planning issues that you and your beneficiaries are likely to face. Available to recommend qualified estate planning attorneys, we coordinate your plan with the goal to make sure that no important issues are overlooked.

PLANNING FOR RETIREMENT--The goal of good financial planning is to balance present lifestyle needs with the accumulation of sufficient assets at retirement to maintain your desired standard of living. We assist you in looking ahead by projecting your income needs at various possible retirement ages, matching these requirements against your potential sources of income. This arduous analysis attempts to predict whether your after-tax income, adjusted for inflation, will support you during retirement. Recommendations, if your resources seem to be insufficient, will be made. Advice regarding the level of spending and savings or degree of aggressive investment will also be discussed.

INSURANCE PLANNING--At **BNVCO**, we view insurance as a vehicle providing more than a means to manage risk. It involves creating or enhancing an estate for your beneficiaries and protects your current assets against casualty. We routinely review your financial and potential estate tax cost scenarios and assist you in realistically determining how much life insurance you need to protect your family or other loved ones. We also review your property and casualty, auto, health, long-term care and disability insurance needs, usually recommending that you enhance all these coverage's with excess limits policies. Working with insurance professionals, we will obtain the best available coverage at the most competitive rates.

INVESTMENT SERVICES--Our investment policy is oriented toward using portfolio modeling Asset Allocation Techniques. Through its affiliation with sister company Greenbrier Diversified, Inc., an NASD registered Broker-Dealer, portfolios of mutual funds and variable annuities for assets up to \$250,000, or more may be constructed. For clients with invest able assets in excess of \$250,000, or more the advice of various sub managers or providers of Wrap-Fee Programs are sought. We are also available to work with our clients' other Investment Advisors in the selection of the appropriate mix of Real Estate, Equities and Fixed Income assets.

CONTRACT NEGOTIATION AND BUSINESS AFFAIRS'
CONSULTING-- A combined experience spanning over sixty years in general business and in the entertainment industry uniquely positions the Principals of **BNVCO** to offer advice and counsel in the construction of commercial matters. Ideally, if we are consulted in the early stages of a negotiation, in concert with our clients' other professional advisors, we are uniquely positioned to assist in the coordination of our patrons' total business involvements with the economic aspects of new contracts under consideration.

SCOPE OF SERVICES

- Family Management Services
 - Bill Paying and Record Keeping
 - Accounting and Financial Statement Preparation
 - Complete double entry general ledgers
 - Financial assets' portfolio reporting
 - Management of Personal and Business Insurance Lines
 - Homeowner's, Casualty and Liability, Life, Disability, Health, Jewelry and Fine Arts, Kidnap, Comprehensive General Liability, Workers' Compensation and other products as needed
 - Insurance Claims' Processing
 - Health, accident, disability claim filing
 - Automobile and other casualty as needed
- Commercial Accounting
 - Tour accounting
 - Motion Picture and Television accounting
 - Accounting for client business ownership
- Financial Consulting
 - Income Tax Planning and Preparation
 - Coordination of passive income to ordinary income and the integration of financial investments thereto
 - Business and personal
 - Income and expense timing to mitigate effects of taxation
 - Preparation of personal, corporate, partnership, LLC, Gift, Estate, Personal Property, Business License, and Sales and Use Tax returns
 - Financial forecasting projections and budgets', strategies for cash flow planning
 - Personal Financial Planning
 - Review of objectives and risk/reward attitudes
 - Review of asset and liability structure
 - Income tax analysis, charitable planning
 - Cash flow management
 - Investment review, analysis and recommendations
 - Insurance review, analysis and recommendation
 - Employee benefits review and recommendations
 - Disability income analysis and recommendations
 - Estate distribution costs and taxation analysis
 - Retirement income analysis and recommendations

- Investment Services
 - Portfolio Design and Implementation
 - Asset Allocation Modeling
 - Coordination with outside Investment Advisors and coordination of asset mix
 - Real Estate evaluation and analysis
 - Coordination with outside Real Property Managers
- Contract Negotiations and Business Affairs' Consulting
 - Financial Structuring
 - Advice and counsel regarding tax implications of compensation arrangements
 - Advice and counsel regarding deferred payment and structured remuneration agreements
 - Assistance with other professional advisors in the integration with other rights, duties, and obligations preceding proposed agreements
 - Assistance with other professional advisors in the follow-up and maintenance of contractual rights, duties, and obligations

At **BNVCO**, we believe in order to develop a successful financial and business affairs' plan, the disciplines of Business Management and Financial Planning must be totally integrated with every factor that could affect your long-term financial security. With years of investment, tax and estate planning experience, **BNVCO** is able to put a broad spectrum of planning resources and family management services at your disposal.

ASSET SAFETY

NO COMMINGLING OF ASSETS— Each client's assets are completely protected, as they are held in separate accounts in their own names or in the names of the entities they own or control. They are not accessible to the creditors of **BNVCO**. In selected situations, custodial arrangements with independent Trust Companies are made available to our clients.

REGULATORY OVERSIGHT— **BNVCO** is subject to periodic examinations by The United States Securities and Exchange Commission, and the National Association of Securities Dealers (NASD) reviews **GDI**.

INDEPENDENT AUDITS— Independent Public Accounting Firms audit the Balance Sheet for **BNVCO**, and the statement of financial condition for **GDI**, as well as conduct an annual surprise cash and securities examination to verify the accuracy of those assets under the supervision of **BNVCO**. The annual surprise examination of cash and securities, is not designed to uncover defalcations, but rather is in accordance with Regulatory requirements designed to protect the investing public imposed by the Securities and Exchange Commission

INSURANCE COVERAGE— Our comprehensive general liability policy provides protection for loss due to dishonest or fraudulent acts of employees, known and unknown third persons, and the Securities Investor Protection Corporation (SIPIC) provides protection for loss of financial instruments

SELECTING BORRIS/NII/VALDEZ & COMPANY, INC.

STRENGTHS AND PERSONAL SERVICE— We use a disciplined investment strategy with an emphasis on asset allocation principles with the objective of consistent returns and long-term growth. Our investment philosophy tends toward the conservative with an orientation toward sound economics. Every available tax device is considered from structuring investments and their vesting to client's compensation arrangements. We assist in the building of wealth for our clients, considering their investment objectives, life style requirements, and risk tolerances, integrated with a view toward an intermediate to long-term accumulation process.

Our professional staff gives personal attention to each client's unique needs, and we have a highly responsive entrepreneurial environment that insures the level of service is of the highest caliber. Our clients expect and receive financial services of the highest quality.

We take the time to comprehend the family as well as business perspectives of our clients, understanding their motivations, anticipating the consequences of alternative courses of action and providing pro-active advice. We are Counselors as well as service providers.

Highly trained, motivated and supervised professional staff use internal systems tailored to the specific needs of the Business and Family Management business, and are in direct contact with each **BNVCO** client. Our services are focused and responsive to each client's needs with continuity in the relationship, enhanced by frequent communication

Weekly cash flow reports, complete monthly financial statements, and quarterly portfolio accountings are provided for each entity owned by our clients. The reports are comprehensive and easily read and understood. Periodic, special reports, such as cash flow forecasts and income tax projections are also provided.

In the final analysis **BNVCO** seeks to provide value added for a cost that provides outstanding service at competitive prices.

EXPERIENCE— We have been in the Business Management business for over thirty-seven years and our aggregate experience of **BNVCO's** principals is over eighty years. We combine investment management, tax planning, and knowledge of all relevant laws and regulations with strong systems and procedures and knowledgeable staff at all levels.

RELIABILITY— Business and Family Management is our only business. While we do the functions of Certified Public Accounting Firms, our business is confined to the management of high net worth and high-income individuals and their business ventures.

OBJECTIVITY— We do what is best for the client and follow the highest standards of fiduciary duty.

REFERENCES

The names following represent individuals and firms with whom we have done business on behalf of clients, as well as some persons who employ our services. It is not known whether all the listed individuals approve or disapprove of **BNVCO** or the advisory and other services provided, however, in all cases verbal permission to use their names and affiliations was obtained. The names have been included to give the Reader access to independent opinions regarding the scope and quality of services rendered.

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Mel McKeown

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

Name of Investment Adviser: Howard M. Borris & Company, Inc. DBA Borris/Nii/Valdez & Company, Inc.				
Address: (Number and Street) 8530 Wilshire Boulevard, Suite 200	(City) Beverly Hills,	(State) CA	(Zip Code) 90211-3113	Area Code: Telephone Number: (310) 358-1800

**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 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.**

FORM ADV
Part II - Page 2

Applicant:	SEC File Number:	Date:
Howard M. Borris & Company, Inc. DBA Borris/Nii/Valdez & Company, Inc.	801-15184	6/06/2006

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>20%</u>
<input checked="" type="checkbox"/>	(2)	Manages investment advisory accounts not involving investment supervisory services	<u>10%</u>
<input checked="" type="checkbox"/>	(3)	Furnishes investment advice through consultations not included in either service described above	<u>10%</u>
<input type="checkbox"/>	(4)	Issues periodicals about securities by subscription	<u>%</u>
<input type="checkbox"/>	(5)	Issues special reports about securities not included in any service described above	<u>%</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>%</u>
<input checked="" type="checkbox"/>	(7)	On more than an occasional basis, furnishes advice to clients on matters not involving securities	<u>60%</u>
<input type="checkbox"/>	(8)	Provides a timing service	<u>%</u>
<input type="checkbox"/>	(9)	Furnishes advice about securities in any manner not described above	<u>%</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 applicant call any of the services it checked above financial planning or some similar term?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
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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 checked="" type="checkbox"/> (5) Commissions |
| <input type="checkbox"/> (3) Fixed fees (not including subscription fees) | <input checked="" 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 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:

**Howard M. Borris & Company, Inc. DBA
Borris/Nii/Valdez & Company, Inc.**

SEC File Number:

801- 15184

Date:

6/06/2006

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 | I. Options contracts on: |
| <input checked="" type="checkbox"/> (3) foreign issues | <input checked="" type="checkbox"/> (1) securities |
| | <input type="checkbox"/> (2) commodities |
| <input checked="" type="checkbox"/> B. Warrants | J. Futures contracts on: |
| | <input type="checkbox"/> (1) tangibles |
| <input checked="" type="checkbox"/> C. Corporate debt securities
(other than commercial paper) | <input type="checkbox"/> (2) intangibles |
| <input checked="" type="checkbox"/> D. Commercial paper | K. Interests in partnerships investing in: |
| <input checked="" type="checkbox"/> E. Certificates of deposit | <input checked="" type="checkbox"/> (1) real estate |
| <input checked="" type="checkbox"/> F. Municipal securities | <input checked="" type="checkbox"/> (2) oil and gas interests |
| | <input checked="" type="checkbox"/> (3) other (explain on Schedule F) |
| G. Investment company securities: | <input checked="" type="checkbox"/> L. Other (explain on Schedule F) |
| <input checked="" type="checkbox"/> (1) variable life insurance | |
| <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 checked="" type="checkbox"/> Other (explain on Schedule F) |
| (3) <input 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 type="checkbox"/> Timing services |
| (2) <input type="checkbox"/> Inspections of corporate activities | (6) <input checked="" type="checkbox"/> Annual reports, prospectuses, filings with the
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
(securities held at least a year) | (5) <input checked="" type="checkbox"/> Margin transactions |
| (2) <input checked="" type="checkbox"/> Short term purchases
(securities sold within a year) | (6) <input checked="" type="checkbox"/> Option writing, including covered options,
uncovered options or spreading strategies |
| (3) <input 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:	SEC File Number:	Date:
Howard M. Borris & Company, Inc. DBA Borris/Nii/Valdez & Company, Inc.	801-15184	6/06/2006

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 checked="" type="checkbox"/> (7) accounting firm |
| <input type="checkbox"/> (2) investment company | <input type="checkbox"/> (8) law firm |
| <input 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 checked="" type="checkbox"/> (11) real estate broker or dealer |
| <input type="checkbox"/> (6) banking or thrift institution | <input checked="" 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:

**Howard M. Borris & Company, Inc. DBA
Borris/Nii/Valdez & Company, Inc.**

SEC File Number:

801- 15184

Date:

6/06/2006**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.

Advisory accounts are reviewed weekly for changes in fair market value. On a monthly basis, brokerage statements are reviewed from firms through whom transactions are entered into. On an annual basis, Certified Public Accountants on our firm's staff, or through an affiliated organization, reivew each account for possible tax advantages to be effected through the realignment of our clients' portfolios. These reviews are discussed with the Investment Advisor, and clients are notified about our recommendations.

The firm's Chief Investment Officer is responsible for all account reviews. Each account is supervised in accordance with the Individual clients' specific investment goals, liquidity needs, risk profile, and desired target rate of return. In conducting the review, asset allocation strategies, determined in consultation with the client, guidelines as to the selection of firm approved investment vehicles, and general economic conditions are all considered. Each Advisor has a varied number of accounts, with a limit of no more than fifty.

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

Each client recieves a schedule of cash received and disbursed from their separate bank accounts each week. On a monthly basis, a complete set of financial statements, accounted for on the cash basis of accounting, are rendered, with selected schedules incorporated therein. For each security trade, clients receive copies of confirmations from the various Broker-Dealers through whom individual stock and bond trades are effected.

For those clients with portfloios with SEI Investments, monthly, quarterly and annual reports are rendered. For those non-SEI clients, on a quarterly basis, Borris/Nii/Valdez & Company, Inc. renders portfolio reports containing detailed information such as current market values, net client investment, tax basis, and portfolio mix. Special purpose reports are available to the firm's clients upon their request.

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

FORM ADV**Part II - Page 6**

Applicant:

**Howard M. Borris & Company, Inc. DBA
Borris/Nii/Valdez & Company, Inc.**

SEC File Number:

801-15184

Date:

6/06/2006**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
<input checked="" type="checkbox"/> | No
<input type="checkbox"/> |
| (2) amount of the securities to be bought or sold ? | Yes
<input checked="" type="checkbox"/> | No
<input type="checkbox"/> |
| (3) broker or dealer to be used ? | Yes
<input checked="" type="checkbox"/> | No
<input type="checkbox"/> |
| (4) commission rates paid? | Yes
<input checked="" type="checkbox"/> | No
<input type="checkbox"/> |

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
<input type="checkbox"/> | No
<input checked="" type="checkbox"/> |
| B. directly or indirectly compensates any person for client referrals? | Yes
<input checked="" type="checkbox"/> | No
<input type="checkbox"/> |

(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
<input checked="" type="checkbox"/> | No
<input type="checkbox"/> |
|--|--|--------------------------------|

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:	SEC File Number:	Date:
Howard M. Borris & Company, Inc. DBA Borris/Nii/Valdez & Company, Inc.	801- 15184	6/6/2006

(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: Howard M. Borris & Company, Inc. DBA Borris/Nii/Valdez & Company, Inc.	IRS Empl. Ident. No.: 95-6251984
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Item of Form (identify)	Answer						
Part II, Page 2, Item 1	Other Advisors are occasionally involved in the management of Registrant's clients' assets. Upon request, Registrant will assist clients in the selection of these outside Advisers, as well as Broker-Dealers that execute their transactions.						
Part II, Page 2, Item D.	<p>Registrant engages primarily as a Business and Family Wealth Management Office for Business and Family Wealth Management Clients. Such services include the collection of income for clients, the deposit of such income in individual and other owned or controlled entities' bank accounts, in the names of such clients or their owned and controlled entities, the establishment of budgets and payments for an allowance for living and personal business expenses, the payment of bills and obligations, the maintenance of complete double entry books and records pertaining to financial and business transactions, assistance in the development of personal savings programs, income and estate tax planning, and recommendations as to the proper use and investment of clients' funds.</p> <p>For such Business and Family Management Services, Registrant charges a fee equivalent to five per cent (5%) of each client's earned, professional income. Fees are payable between the first and tenth day of the month following the month in which income earned by its clients is received. An engagement letter detailing the scope of services to be performed is generally issued by Registrant, however, no contract for Business and Family Management services is required, and clients may terminate that relationship at will.</p> <p>For non-business and family wealth management clients, Registrant may provide accounting and tax planning services. Registrant does not take a power of attorney from any non-business management client or take possession of the securities or funds of any such clients.</p> <p>Registrant discourages taking physical possession, except for delivery to a Broker-Dealer or Bank, of securities; however, Registrant does have discretionary authority to order trading in clients' brokerage accounts, and may write checks drawn on funds held in clients' bank accounts. A separate account is maintained at a Broker-Dealer registered by the State of California, Department of Corporations. Under no circumstances are the clients' funds and/or securities intermingled with the Registrant's personal funds or securities placed in Registrant's name.</p> <p>Registrant will take a power of attorney and/or discretionary authority over the funds and securities only from clients who retain Registrant's services as a Business and Family Wealth Manager; however, Registrant may render investment advisory services to any of its clients.</p> <p>Registrant will deposit the securities and/or funds of business and Family Wealth Management clients in accounts under their individual names.</p> <p>Any Broker-Dealer and any bank which will have custody or control over funds or securities of Registrant's California clients and which will take and execute orders given by Registrant under powers of attorney will be, respectively, licensed by the State of California, Department of Corporations, or insured with the Federal Deposit Insurance Corporation.</p> <p>Registrant may charge separate fees for portfolio management services. Such fees may be at varying hourly rates for consultative purposes depending upon the firm's personnel's involvements, or on a percentage basis applied to the assets under management. Presently, fees charged for equity portfolio management services are as follows;</p> <table border="0"> <tr> <td>First \$250,000 to \$1,000,000</td> <td>1.00% annual fee</td> </tr> <tr> <td>Next \$1,000,000 to \$5,000,000</td> <td>0.75% annual fee</td> </tr> <tr> <td>Over \$5,000,000</td> <td>0.50% annual fee</td> </tr> </table>	First \$250,000 to \$1,000,000	1.00% annual fee	Next \$1,000,000 to \$5,000,000	0.75% annual fee	Over \$5,000,000	0.50% annual fee
First \$250,000 to \$1,000,000	1.00% annual fee						
Next \$1,000,000 to \$5,000,000	0.75% annual fee						
Over \$5,000,000	0.50% annual fee						

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

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Howard M. Borris & Company, Inc. DBA Borris/Nii/Valdez & Company, Inc.	801- 15184	6/6/2006

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1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Howard M. Borris & Company, Inc. DBA Borris/Nii/Valdez & Company, Inc.	IRS Empl. Ident. No.: 95-6251984
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Item of Form (identify)	Answer
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For fixed income portfolio accounts the fee is .75% annually. Fees are payable quarterly in arrears.

Registrant deducts its management fee directly from Sub-Managed or so called "Wrap Fee" managed accounts, and non-managed accounts are billed quarterly in arrears based upon month-end valuations. In certain wrap fee programs there are sub-advisory, custodial, management and investment related expenses incurred in addition to Registrant's investment management fees set forth above. In the case of Mutual Funds, to the extent Registrant is paid an investment advisory fee, clients who have investments in mutual funds will pay their proportionate share of fund management, administrative and sales charges, if any, though the fund, in addition to the Investment Advisory Fee paid Registrant.

Investment Advisory Services consist of an analysis of the client's current investments, goal setting to assist the client to determine the appropriate time horizon, target rate of return, and amounts needed to accomplish investment objectives, risk profile analysis to determine the client's tolerance and aversion to risk, asset allocation to select proper asset classes and the determination of the allocation of available investment funds to the various classes of assets.

In addition to the foregoing, Registrant provides ongoing monitoring of client fund performance and performance analysis that may result in modifications to the portfolios as determined by Registrant to be in keeping with clients ongoing, dynamic needs and applicable market and economic conditions.

Computerized record keeping, performance analysis and portfolio construction reports are provided to clients monthly, quarterly and annually, the frequency of reports varies depending upon whether the client is an SEI managed account or a Registrant managed account.

Individual client services are rendered to non-business and family management clients including analysis of personal investments and insurance products, establishment of investment objectives and risk tolerance levels, liquidity needs, determination of the adequacy of retirement funds, tax planning, including the projection of income and estate tax liabilities. Tax advantaged investments are analyzed to determine the impact upon each clients' situation, and interaction with clients' other professional advisors is encouraged.

Part II, Page 3, Item
3.K.(3), L.

Occasionally, Registrant may recommend loans secured by Deeds of Trust or Mortgages against real property. These loans may be taken either in partnership, LLC name or in individual's portfolios. Those loans recommended have title taken based upon undivided interests either through a partnership entity, LLC or as Tenants In Common. There are material risks involved with investing in Notes Secured by Deeds of Trust recorded against real estate. Failure to make payments as called for under the Note may subject the investor to a default risk. The default risk may consist of the necessity to service a senior indebtedness by making loan payments and paying other expenses in order to preserve the priority of the lien. There is also a fair market value risk, as the property may ultimately become worth less than the equity needed to pay back the loan secured by it. Investing through partnership or LLC entities may create a liquidity risk, as, characteristically, Limited Partnership Interests are not easily transferable. These types of risks render this type of investment unsuitable for some Investors. Registrant is a California Licensed Real Estate Broker and may receive brokerage commissions for the placement of funds. In all

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:	SEC File Number:	Date:
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

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Item of Form (identify)	Answer	
	cases the commissions are disclosed to the investors prior to consummation of the transaction. Howard M. Borris is the designated Broker-Officer.	
Part II, Page 3, Item 4. (5)	<p>Registrant's method of analysis is primarily based upon fundamentals rather than technical analysis, charting or cyclical techniques. All of these methods may be considered from time to time, particularly with respect to asset allocation adjustments for clients, however, reliance upon other investment advisors and major securities exchanges' member firms' research departments' advice serves as the basis for investment recommendations made by Registrant.</p> <p>Registrant prefers to use no load mutual funds for its managed accounts as a means of obtaining a client's investment objectives and achieving diversification within a client's portfolio. For non-managed accounts of less than \$250,000, Registrant will design a custom portfolio of front-loaded mutual funds, with no other compensation than the loads earned by its sister company Broker-Dealer. For accounts greater than \$250,000, the auspices of sub-advisors and Wrap Fee arrangements are recommended. Mutual Fund portfolios in excess of \$250,000 will be constructed for those clients not interested in wrap fee arrangements.</p> <p>Investment strategies are generally a function of each client's stated objectives and requirements. Most of Registrant's clients have intermediate to longer-term investment time horizons. Mutual Funds and sub-managed portfolios are analyzed based upon the following criteria: investment objective, style, for example, equities, value versus growth, small or mid versus large cap stocks, domestic versus foreign. In the fixed income fund area, average maturity, credit quality, credit composition, current yield, taxable versus nontaxable are some of the gauges evaluated. Overall, individual funds are analyzed as to their performance on an absolute basis, performance compared to funds with similar investment objectives and style; fund performance based upon risk adjusted approaches, operational and other expenses, longevity of management and expected volatility.</p>	
Part II, Page 3, Item 4.	<p>In addition to the items checked, Registrant relies heavily on research materials prepared by others, corporate rating services, and periodic reports. Great weight is given Mutual Fund rating services, such as Morningstar, and newsletters prepared by others on various topics including general economic and market conditions, mutual funds and investment strategies, as well as financial planning techniques.</p>	
Part II, Page 4, Item 5.	<p>High standards of education and/or business experience are required of employees involved in the rendition of investment advice and financial planning. Many of Registrant's clients are sponsors of their own deferred compensation plans and it is therefore important for Registrant's employees to have specific knowledge of regulations under the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code, as amended of 1986, as they apply to the investment policies and tolerances of these plans.</p> <p>Knowledge in such areas as capital markets, tax laws, securities' requirements, economics, and finance are integral to the successful representation of Registrant's clients. Each investment advisor must possess substantial experience in the various disciplines contained within their area of specialization. The following educational designations are highly regarded by Registrant; Masters of Business Administration or Taxation; Certified Public Accountant; Personal Financial Specialist, Certified Financial Planner, Chartered Financial Consultant, Chartered Life Underwriter, Certified Fund Specialist, and Certified Financial Analyst.</p> <p>Membership in professional associations such as the Financial Planning Association, the Personal Financial Planning Section of the American Institute of Certified</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**

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1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Howard M. Borris & Company, Inc. DBA Borris/Nii/Valdez & Company, Inc.		IRS Empl. Ident. No.: 95-6251984
Item of Form (identify)	Answer	
	Public Accountants, and the International Association for Financial Planning is encouraged. Registrant is a great proponent of continuing education and Advisers are encouraged to continue their education through attendance at professional meetings, college or equivalent courses, seminars, and usage of applicable tapes and reading materials.	
Part II, Page 4, Item 6.	<p>The education and business background of Registrant's key investment personnel are as follows;</p> <p>Name: Howard M. Borris Year of Birth: 1942 Education: Bachelor of Science, Business Administration-1965 Various post graduate technical courses in tax, finance, real estate, investment and financial planning. Currently a candidate for the Certified Financial Planner's Designation</p> <p>Business Background: Certified Public Accountant-1969, Calif. Real Estate Broker- 1974, NASD Series 7, Registered Representative-1986, NASD Series 24, Registered Securities Principal-1986, NASD Series 51 Municipal Securities Limited Principle California Lifetime Community College Teaching Credential, Banking and Finance-1969, California. Life, Health & Disability Insurance Broker License-1974, California, Variable Annuities License-1974, Personal Financial Specialist Credential, American Institute of Certified Public Accountants-2004, Chartered Financial Consultant Credentia, American College-2006.</p> <p>From 1965 to 1969 Mr. Borris worked at various Public Accountancy Firms in the Los Angeles Area and was a show accountant at 20th Century-Fox Film Corporation. In 1969 he formed his own Business and Family Management practice. In 1978, the practice was incorporated as Howard M. Borris & Company, Inc. Mr. Borris is Chairman of the Board of Directors and Chief Operating Officer of the company. In 1986, Greenbrier Diversified, Inc., a fully disclosed California and NASD registered Broker-Dealer was formed. Mr. Borris is Chairman of the Board and Chief Operating Officer of that company. From 1994 to 1998 Mr. Borris served as a member of the Board of Directors as well as the loan committee of Sterling Bank. Sterling Bank was sold to Pacific Bank and ultimately merged into City National Bank in 1999.</p>	
Part II, Page 4, Item 7.A, B., C.	See answer to Part II, Page 2, Item D.	
Part II, Page 4, Item 8.C. (1), (7), (9), (10), (11), (12)	Howard M. Borris, CPA, an individual, is a licensed Certified Public Accountant who renders tax preparation services to clients of Registrant. In addition, Mr. Borris holds California Insurance and Real Estate Brokers' licenses and will occasionally receive commissions or equity participations for the placement of funds in trust deed and real estate	

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:	SEC File Number:	Date:
Howard M. Borris & Company, Inc. DBA Borris/Nii/Valdez & Company, Inc.	801- 15184	6/6/2006

(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: Howard M. Borris & Company, Inc. DBA Borris/Nii/Valdez & Company, Inc.	IRS Empl. Ident. No.: 95-6251984
--	--

Item of Form (identify)	Answer
	<p>limited partnership investments.</p> <p>Greenbrier Diversified, Inc. is a California Corporation and NASD registered fully disclosed Broker-Dealer, which is 100% owned by Howard M. Borris, an affiliated person to Registrant. The company's activity is limited to participating as a member of the Selling Groups for Mutual Funds, Limited Partnerships, Direct Participation Programs, Life and Variable Life Insurance Contracts, and Annuity Contracts.</p> <p>Mr. Borris owns 100% of Registrant, and purchase of the aforementioned products by Registrant's clients often results in commissions earned by Greenbrier Diversified, Inc.</p>
Part II, Page 4, Item 8.D.	<p>Registrant's principal shareholder, Howard M. Borris, is a General Partner in the following partnerships in which clients of the Registrant are also investors;</p> <p>Walnut Ranch Associates, a limited partnership holding a majority interest in a first tier limited partnership holding title to a 95-unit apartment house located in Dixon, California.</p> <p>Davis Ventures, Ltd., a limited partnership holding a minority interest in a first tier partnership holding title to a 100-unit apartment house located in Davis, California.</p> <p>Hacienda Real Estate Operating Company, a limited partnership holding title to a note secured by a deed of trust against land and improvements for a car wash located in Victorville, California.</p> <p>Victory Coldwater Associates, a General Partnership holding a Limited Partnership interest in a first tier partnership holding title to land and building for a Burger-King franchise located in Van Nuys, California.</p>
Part II, Page 5, Item 9. B., D., E.	<p>Greenbrier Diversified, Inc. may participate in commissions for the acquisition of various insurance, mutual fund, partnership, LLC, and annuity products. The nature of these commissions may consist of front end loads as measured by a percentage varying from 2% to 5% of the dollars invested, 12b-1 fees that are usually equivalent to 25 basis points of the funds' carried asset value prorated and payable quarterly, or deferred commissions paid after fund holdings have been in existence for certain specified time periods. In addition, Greenbrier Diversified may place insurance coverage for certain of Registrant's clients and commissions ranging from 100% to 25% of first year premium and 5% of renewal premiums thereafter may be received.</p> <p>Net income accruing to Greenbrier Diversified, Inc. after payment of all expenses of its operation, inures to the benefit of Howard M. Borris, its 100% stockholder and 100% stockholder of Registrant. As a result of the benefit derived by Registrant's 100% stockholder, a technical conflict of interest exists in as much as with the benefit to Registrant's stockholder, the duty to provide unbiased advice to clients could be interpreted as compromised because of its interest in directing such compensation to Greenbrier or to Registrant's 100% stockholder.</p> <p>Occasionally, Registrant's principal shareholder will recommend the investment in a limited partnership or LLC in which he also holds a financial interest. Such recommendations may result in the payment of Finders Fees' as measured by a percentage</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:	SEC File Number:	Date:
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Item of Form (identify)	Answer
	<p>of cash directed to such investments to Registrant or to Registrant's sole shareholder. In addition, Registrant's clients purchase securities Registrant's controlling shareholder may also purchase securities recommended.</p> <p>With regard to the purchase of securities and mutual funds, the amount so purchased is not material enough to influence fair market value and create a potential conflict of interest. Other than the possible, occasional verbal disclosure, no formal revelation of Registrant's, or any affiliated people of Registrant's, stock positions are made.</p> <p>In the event a limited partnership or LLC investment involving real estate is offered to Registrant's clients, a letter disclosing Registrant's, or any affiliated persons' interests, including finder's fees paid, as by measured a percentage of total cash directed by Registrant or an affiliate of Registrant to such Investment, is given to each client solicited and an acknowledgment of receipt of it is retained by Registrant.</p>
Part II, Page 5, Item 10.	<p>See answer to Part II, Page 2, and Item D above. In addition Registrant requires clients to have minimum annual earned income of \$500,000 in order to qualify for Business and Family Wealth Management Services provided. In certain cases, the potential for earning on the part of the client is evaluated, and Business and Family Management services are provided for those clients earning less than the threshold amount stated above.</p> <p>At the request of certain clients, Registrant will charge negotiated hourly fees for its services, which rates are subject to revision from time to time.</p> <p>Registrant prefers to use Sub-Advisors to assist in the selection of specific investment vehicles and perform rebalancing in accordance with asset allocations recommended by Registrant for those accounts having assets in excess of \$250,000. Up to \$250,000, Registrant will plan asset allocation scenarios investing in mutual funds.</p>
Part II, Page 6, Item 12.B.	<p>Brokers selected must be members of the Securities Investor Protection Corporation, be financially sound and offer commission rates competitive with Brokers of comparable size and financial strength. To the extent Registrant is able to influence the amount of commission paid, it does so, but there are no arrangements in place that dictate specific terms at the present time.</p> <p>Research services Registrant expects to receive from Brokers to whom its clients are directed consist of company profiles, technical papers, reprints of independent research services subscribed to by the Broker-Dealer, position papers, charts and prospectuses.</p> <p>Research so obtained is used for all of Registrant's clients' accounts and commissions charged by the Broker-Dealer providing Registrant with these materials are generally higher than those charged by discount Broker-Dealers not providing this service. No specific procedures are used by Registrant to direct client transactions to a particular Broker-Dealer in exchange for products and research services received.</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:	SEC File Number:	Date:
Howard M. Borris & Company, Inc. DBA Borris/Nii/Valdez& Company, Inc.	801- 15184	6/06/2006

Item of Form (identify)	Answer
Part II, Page 6, Item 12.A. (3) (4) B. and 13.A	<p>Registrant may recommend that clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Co., Inc. (Schwab), a registered Broker-Dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Registrant is independently owned and operated and is not affiliated with Schwab. Schwab provides Registrant with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10,000,000 of the advisor's clients' assets is maintained in accounts at Schwab Institutional. This arrangement is not otherwise contingent upon Advisor committing to Schwab any specific amount of business consisting of assets in custody or trading volumes. Schwab's services include brokerage, custody, research, 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>For Registrant's clients' accounts maintained in its custody, Schwab generally does not charge separately for custodial services, 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.</p> <p>Schwab also makes available to Registrant other products and services that benefit Registrant but may not benefit its clients' accounts. Some of these other products and services assist Registrant in managing and administering clients' 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, pricing information and other market data; facilitate payment of Registrant's fees from its clients' 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 Registrant's accounts, including accounts not maintained at Schwab Institutional. Schwab Institutional also makes available to Registrant other services intended to help Registrant 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, Schwab may make available, arrange and/or pay for these types of services rendered to Registrant by independent third parties. Schwab Institutional may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to Registrant. While as a fiduciary, Registrant endeavors to act in its clients' best interests, and Registrant's recommendation that clients maintain their assets in accounts at Schwab may be based in part on the benefit to Registrant 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 by Schwab, which may create potential conflicts of interest.</p>

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

**Schedule G of
Form ADV
Balance Sheet**

Applicant:
Borris/Nii/Valdez & Company, Inc.

SEC File Number:
801-15184

Date:
6/06/2006

(Answers in Response to Item 4 of Form ADV-S, or Form ADV Part II Item 14.)

I. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Howard M. Borris & Company, Inc. DBA Borris/Nii/Valdez & Co.	IRS Empl. Ident. No.: 95-6251984
<p style="text-align: center;">Instructions</p> <p>1. The balance sheet must be:</p> <ul style="list-style-type: none">A. Prepared in accordance with generally accepted accounting principlesB. Audited by an independent public accountantC. Accompanied by a note stating the principles used to prepare it, the basis of included securities, and any other explanations required for clarity.	
2. Securities included at cost should show their market or fair value parenthetically.	
3. Qualifications and any accompanying independent accountant's report must conform to Article 2 of Regulation S-X (17 CFR 210.2-01 et seq.).	
4. Sole proprietor investment advisers: <ul style="list-style-type: none">A. Must show investment advisory business assets and liabilities separate from other business and personal assets and liabilitiesB. May aggregate other business and personal assets and liabilities unless there is an asset deficiency in the total financial position.	

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

Howard M. Borris & Company, Inc.
DBA Borris/Nii/Valdez & Company, Inc.

Balance Sheet

As of December 31, 2008

BREARD & ASSOCIATES, INC.
Certified Public Accountants

Independent Auditor's Report

To the Stockholder
Howard M. Borris & Company, Inc.
DBA Borris/Nii/Valdez & Company, Inc.
Beverly Hills, California

We have audited the accompanying balance sheet of Howard M. Borris & Company, Inc. DBA Borris/Nii/Valdez & Company, Inc. as of December 31, 2008. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the balance sheet is free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the balance sheet. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall balance sheet presentation. We believe that our audit of the balance sheet provides a reasonable basis for our opinion.

In our opinion, the balance sheet referred to above presents fairly, in all material respects, the financial position of Howard M. Borris & Company, Inc. DBA Borris/Nii/Valdez & Company, Inc. as of December 31, 2008, in conformity with accounting principles generally accepted in the United States of America.



Breard & Associates, Inc.
Certified Public Accountants

Northridge, California
March 2, 2009

We Focus & CareSM

9010 Corbin Avenue, Suite 7
Northridge, California 91324
(818) 886-0940 • Fax (818) 886-1924
www.baicpa.com

Howard M. Borris & Company, Inc.
DBA Borris/Nii/Valdez & Company, Inc.
Notes to the Financial Statement
December 31, 2008

Assets

Current assets

Fees and commissions receivable	\$ 90,485
Other receivables	873
Due from stockholder	<u>179,998</u>
Total current assets	271,356

Furniture, equipment and leasehold improvements

Office equipment	35,930
Furniture and fixtures	53,956
Computer equipment	52,800
Leasehold improvements	<u>12,517</u>
	155,203
Less accumulated depreciation	<u>(144,989)</u>
Total furniture, equipment and leasehold improvements, net	10,214

Other assets

Security deposit	<u>8,312</u>
Total other assets	<u>8,312</u>
Total assets	<u><u>\$ 289,882</u></u>

Liabilities & Stockholder's Equity

Current liabilities

Bank Overdraft	\$ 28,049
Accounts payable	21,657
Accrued payroll and related costs	16,613
Income tax payable	2,227
Loan payable, current	<u>2,650</u>
Total current liabilities	71,196

Long-term liabilities

Loan payable, long-term	<u>883</u>
Total long-term liabilities	<u>883</u>
Total liabilities	72,079

Stockholder's equity

Common stock, \$10 par value, 7,500 shares authorized, 100 shares issued and outstanding	1,000
Retained earnings	<u>216,803</u>
Total stockholder's equity	<u><u>220,030</u></u>

Total liabilities & stockholder's equity	<u><u>\$ 289,882</u></u>
---	--------------------------

The accompanying notes are an integral part of this financial statement.

Howard M. Borris & Company, Inc.
DBA Borris/Nii/Valdez & Company, Inc.
Notes to the Financial Statement
December 31, 2008

Note 1: GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Howard M. Borris & Company, Inc. DBA Borris/Nii/Valdez & Company, Inc.(the "Company"), is an Investment Advisor as defined by Section 202(a)(11) of the Investment Advisors Act of 1940. Investment advisory services are provided primarily to individuals, trusts and other business entities in Southern California.

Summary of Significant Accounting Principles

The presentation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Fees and Commissions receivable

The Company records its fees and commissions receivable when earned. Management has determined that an allowance for uncollectible fees and commissions receivable is not necessary.

Furniture, Equipment and leasehold improvements, net

Office equipment, furniture & fixtures, computer equipment and leasehold improvements are stated at cost. Depreciation is provided generally on a straight-line basis over the estimated lives of related assets as follows:

	<u>Years</u>
Office equipment	5
Furniture & fixtures	7
Computer software	5
Leasehold improvements	7

Depreciation and amortization expense for the year ended December 31, 2008 was \$1,345.

Expenditures for replacements and betterments are capitalized, while repairs and maintenance are charged to expense as incurred.

Howard M. Borris & Company, Inc.
DBA Borris/Nii/Valdez & Company, Inc.
Notes to the Financial Statement
December 31, 2008

Note 1: GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Income taxes

The Company, with the consent of its stockholder, has elected to be an S Corporation and accordingly has its income taxed under Section 1372 of the Internal Revenue Code, which provides that in lieu of corporate income taxes, the stockholder is taxed on the Company's taxable income. Therefore, no provision or liability for Federal Income Taxes is included in these financial statements. The State of California has similar regulations, although there exists a provision for a minimum Franchise Tax and a tax rate of 1.5% with a minimum Franchise Fee of \$800.

Note 2: DUE FROM STOCKHOLDER

Amounts due from stockholder are unsecured, non-interest bearing and due on demand. The amounts due from stockholder have been classified as current in the accompanying balance sheet. At December 31, 2008, the stockholders owed \$179,998 to the Company.

Note 3: OTHER RECEIVABLES

Amounts consist of various receivables from clients, which are unsecured, non-interest bearing and due on demand. These amounts are classified as current in the accompanying balance sheet.

Note 4: RELATED PARTY TRANSACTIONS

The Company provides certain investment services to its clients through an entity related by common control.

The company sole's shareholder personally obtained a line of credit which has been used to fund some of the Company's activities. For the year ended December 31, 2008, the Company has paid \$38,228 in interest expense related to this line of credit.

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Notes to the Financial Statement
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Note 5: EMPLOYEE BENEFIT PLAN

In 1998, the Company established the Borris/Nii/Valdez & Company, Inc. Employees' Deferred Compensation and Savings Plan ("the Plan") for the benefit of essentially all of the Company's employees. The Company can make a matching contribution up to a maximum of 2% of the participating employee's compensation, limited to 25% of the employee's contribution. The Company contributed \$2,794 to the Plan during the year ended December 31, 2008.

Note 6: COMMITMENTS AND CONTINGENCIES

Lease commitments

The Company has entered into a noncancellable operating lease agreement for office space in Beverly Hills, California, which commenced on August 29, 2002 and expires in August of 2009.

The Company also entered into a lease agreement for office equipment which matures in April of 2010.

Minimum future lease commitments are as follows:

<u>December 31,</u>	<u>Amount</u>
2009	77,000
2010	883
2011 & thereafter	<u>—</u>
Total minimum lease commitments	<u>\$ 77,883</u>

Rent expense for the year ended December 31, 2008 (net of rental income of \$22,680) amounted to \$104,777.

Undue concentration of credit risk

Most of the Company's clients are in the entertainment industry.

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Notes to the Financial Statement
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Note 7: INCOME TAXES PAYABLE

As discussed in the Summary of Significant Accounting Policies (Note 1), the Company has elected the S Corporate status, therefore no federal income tax provision is provided. For the year ended December 31, 2008, an amount of \$2,227 is payable to the Franchise Tax Board.

Note 8: RECENTLY ISSUED ACCOUNTING STANDARDS

For the year ended December 31, 2008, various accounting pronouncements or interpretations by the Financial Accounting Standards Board were either newly issued or had effective implementation dates that would require their provisions to be reflected in the financial statements for the year then ended. The Company has reviewed the following Financial Interpretation ("FIN") and Statements of Financial Accounting Standards ("SFAS") for the year to determine relevance to the Company's operations:

<u>Statement Number</u>	<u>Title</u>	<u>Effective Date</u>
FIN 48	Accounting for Uncertainty in Income Taxes - an Interpretation of FAS13 Statement No. 109	After 12/15/07
SFAS 141 (R)	Business Combinations	After 12/15/08
SFAS 157	Fair Value Measurements	After 12/15/07
SFAS 160	Noncontrolling Interests in Consolidated Financial Statements - an amendment of ARB No. 51	After 12/15/07
SFAS 161	Disclosures about Derivative Instruments and Hedging Activities – an Amendment of FASB Statement No. 133	After 12/15/08

The Company has either evaluated or is currently evaluating the implications, if any, of each of these pronouncements and the possible impact they may have on the Company's financial statements. In most cases, management has determined that the pronouncement has either limited or no application to the Company and, in all cases, implementation would not have a material impact on the financial statements taken as a whole.

**TO THE COMMISSIONER OF CORPORATIONS OF
THE STATE OF CALIFORNIA**

**VERIFICATION FORM PURSUANT TO
CALIFORNIA CODE OF REGULATIONS RULE 260.241.2(b)**

(Executed WITHIN or WITHOUT of the State of California)

I, Howard M. Borris declare under penalty of perjury under the laws of the State of California that I have read the annexed financial report and supporting schedules and know the contents thereof to be true and correct to my best knowledge and belief; and neither the licensee nor any partner, officer, or director thereof have any proprietary interest in any account classified solely as that of a customer.

Executed this 16th day of January at

Beverly Hills California
City State



(Signature of person signing report)

President

(Title of person signing report)

Borris/Nii/Valdez and Company, Inc.
(Name of Licensee)

801-15184
(File Number)

INSTRUCTIONS:

If the broker-dealer or investment adviser is a sole proprietorship, the verification shall be made by the proprietor; if a partnership, by a general partner; or if a corporation, by a duly authorized officer.