

Uniform Application for Investment Adviser Registration

Part II - Page 1

| | | | | |
|---|----------------------|-----------|--------------|------------------------------|
| Name of Investment Adviser: Searcy Financial Services, Inc. | | | | |
| Address: (Number and Street) | (City) | (State) | (Zip Code) | Area Code: Telephone number: |
| 13220 Metcalf Avenue, Suite 360 | Overland Park | KS | 66213 | (913) 814-3800 |

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.

Table of Contents

| <u>Item Number</u> | <u>Item</u> | <u>Page</u> |
|--------------------|---|-------------|
| 1 | Advisory Services and Fees | 2 |
| 2 | Types of Clients | 2 |
| 3 | Types of Investments | 3 |
| 4 | Methods of Analysis, Sources of Information and Investment Strategies | 3 |
| 5 | Education and Business Standards | 4 |
| 6 | Education and Business Background | 4 |
| 7 | Other Business Activities | 4 |
| 8 | Other Financial Industry Activities or Affiliations | 4 |
| 9 | Participation or Interest in Client Transactions | 5 |
| 10 | Conditions for Managing Accounts | 5 |
| 11 | Review of Accounts | 5 |
| 12 | Investment or Brokerage Discretion | 6 |
| 13 | Additional Compensation | 6 |
| 14 | Balance Sheet | 6 |
| | Continuation Sheet | Schedule F |
| | Balance Sheet, if required | Schedule G |

(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.)

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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.

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 instructions below.)

Applicant:

| | | | |
|-------------------------------------|-----|---|----------------|
| <input checked="" type="checkbox"/> | (1) | Provides investment supervisory services | 85 % |
| <input checked="" type="checkbox"/> | (2) | Manages investment advisory accounts not involving investment supervisory services | <1 % |
| <input checked="" type="checkbox"/> | (3) | Furnishes investment advice through consultations not included in either service described above | <1 % |
| <input type="checkbox"/> | (4) | Issues periodicals about securities by subscription | % |
| <input type="checkbox"/> | (5) | Issues special reports about securities not included in any service described above | % |
| <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 | % |
| <input checked="" type="checkbox"/> | (7) | On more than an occasional basis, furnishes advice to clients on matters not involving securities | 13 % |
| <input type="checkbox"/> | (8) | Provides a timing service | % |
| <input type="checkbox"/> | (9) | Furnishes advice about securities in any manner not described above | % |

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

B. Does applicant call any of the services it checked above financial planning or some similar term?

Yes ☒ No ☐

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

- | | |
|--|--|
| <input checked="" type="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).

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

- | | |
|--|--|
| <input type="checkbox"/> A. Equity securities | <input checked="" type="checkbox"/> H. United States government securities |
| <input checked="" type="checkbox"/> (1) exchange-listed securities | <input type="checkbox"/> I. Options contracts on: |
| <input checked="" type="checkbox"/> (2) securities traded over-the-counter | <input type="checkbox"/> (1) securities |
| <input checked="" type="checkbox"/> (3) foreign issuers | <input type="checkbox"/> (2) commodities |
| <input type="checkbox"/> B. Warrants | <input type="checkbox"/> J. Futures contracts on: |
| <input checked="" type="checkbox"/> C. Corporate debt securities (other than commercial paper) | <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 type="checkbox"/> K. Interests in partnerships investing in: |
| <input checked="" type="checkbox"/> F. Municipal securities | <input checked="" type="checkbox"/> (1) real estate |
| <input type="checkbox"/> G. Investment company securities: | <input checked="" type="checkbox"/> (2) oil and gas interests |
| <input checked="" type="checkbox"/> (1) variable life insurance | <input checked="" type="checkbox"/> (3) other (explain on Schedule F) |
| <input checked="" type="checkbox"/> (2) variable annuities | <input checked="" type="checkbox"/> L. Other (explain on Schedule F) |
| <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 checked="" type="checkbox"/> Charting | (4) <input checked="" type="checkbox"/> Cyclical |
| (2) <input checked="" type="checkbox"/> Fundamental | (5) <input checked="" 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 checked="" 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 checked="" 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 type="checkbox"/> Option writing, including covered options, uncovered options or spreading strategies |
| (3) <input type="checkbox"/> Trading (securities sold within 30 days) | (7) <input checked="" type="checkbox"/> Other (explain on Schedule F) |
| (4) <input type="checkbox"/> Short sales | |

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

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 type="checkbox"/> (1) broker-dealer | <input 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 advisor 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 in 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).

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.

For those clients to whom Registrant provides investment supervisory services, account reviews are conducted on an ongoing basis by the Registrant's Principals and/or Associated Persons. All investment supervisory clients are advised that it remains their responsibility to advise the Registrant of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to comprehensively review financial planning issues (to the extent applicable), investment objectives and account performance with the Registrant on an annual basis.

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

Clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. Those clients to whom Registrant provides investment supervisory services may also receive a periodic report from the Registrant summarizing account activity and performance.

Applicant
Searcy Financial Services, Inc.

SEC File Number
801- **16377**

Date
02/16/2009

12. Investment or Brokerage Discretion.

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

- | | Yes | No |
|--|-------------------------------------|-------------------------------------|
| (1) securities to be bought or sold? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (2) amount of the securities to be bought or sold? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (3) broker or dealer to be used? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (4) commission rates paid? | <input type="checkbox"/> | <input checked="" 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 product 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 checked="" type="checkbox"/> | No <input 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 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: | SEC File Number: | Date: |
| SEARCY FINANCIAL SERVICES, INC. | 801- 16377 | 02/16/2009 |

(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: SEARCY FINANCIAL SERVICES, INC. | | IRS Empl. Ident. No.: 64-1416844 |
| Item of Form (identify) | Answer | |
| Item 1D | <p>As discussed below in this disclosure statement, the Registrant may provide its clients (i.e. individuals, pension and profit sharing plans, 401(k) plans, trusts, foundations and business entities) with financial planning, consulting and discretionary and non-discretionary investment advisory services.</p> <p>FINANCIAL PLANNING</p> <p>Registrant <i>may</i> provide its clients with a broad range of financial planning and consulting services (including non-investment related matters). Registrant will charge a fee for these services. Registrant's financial planning fees are negotiable, but generally are quoted at \$300 per hour on an hourly rate basis depending upon the level and scope of the services required. In addition, the Registrant may also provide planning services on a fixed fee basis. Prior to engaging the Registrant to provide financial planning and/or consulting services, the client will generally be required to enter into a <i>Financial Planning Agreement</i> with the Registrant setting forth the terms and conditions of the engagement, describing the scope of the services to be provided, the fee arrangement, and the portion of the fee that is due from the client prior to the Registrant commencing services. In the event the client terminates Registrant's services, the client shall remain obligated to pay the Registrant for services rendered, including services rendered but not previously invoiced to the client. In the event the client has prepaid any portion of the Registrant's fee prior to termination, the Registrant shall refund to the client any unearned portion thereof, if any. In performing its services, Registrant shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. If requested by the client, Registrant may recommend the services of other professionals for implementation purposes, including the Registrant's Principal and/or Associated persons in their individual capacities as licensed insurance agents (See disclosure below). The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from the Registrant. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify the Registrant if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Registrant's previous recommendations and/or services.</p> <p>INVESTMENT IMPLEMENTATION / MANAGEMENT</p> <p>In the event the client desires, the client can engage the Registrant to provide discretionary investment management services on a <i>fee</i> basis. In certain limited circumstances, and within Registrants sole discretion, Registrant may provide non-discretionary investment management services. In the event the client determines to engage Registrant on a <i>fee</i> basis, Registrant shall charge an annual investment management fee based upon a percentage of the market value of the assets being managed by Registrant. The investment management fee charged shall vary (between 0.50% and 1.00%) depending upon the market value of assets, subject to a \$5,000.00 annual minimum investment management fee.</p> <p>Registrant's annual investment management fee shall be pro-rated and paid quarterly, in advance, based upon the market value of the assets on the last day of the previous quarter. The Registrant generally requires a \$5,000,000 net worth or a \$1,000,000 client minimum for investment management services. Registrant, in its sole discretion, may charge a lesser management fee and/or reduce or waive the \$5,000.00 annual minimum fee or \$1,000,000 client assets under management minimum based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, type of services required, account composition, negotiations with client, etc.)</p> <p>Unless the client directs otherwise, Registrant shall generally recommend that all such investment management accounts be maintained at Charles Schwab & Co., Inc. ("<i>Schwab</i>") or T.D. Ameritrade ("<i>Ameritrade</i>"). Prior to engaging Registrant to provide investment management services, the client will be required to enter into a formal <i>Investment Advisory Agreement</i> with Registrant setting forth the terms and conditions under which Registrant shall manage the client's assets, and a separate custodial/clearing agreement with <i>Schwab</i> or <i>Ameritrade</i>. Both Registrant's <i>Investment Advisory Agreement</i> and the custodian's custodial/clearing agreement may authorize the custodian to debit the account for the amount of the Registrant's investment management fee and to directly remit that management fee to the Registrant in accordance with regulatory procedures. The <i>Investment Advisory Agreement</i> between the Registrant and the client will continue in effect until terminated by the Registrant upon written notice to the client, or by the client upon signed, written notice received in our office at least thirty (30) days prior to the end of the initial service level term or at least 30 days prior to the end of the current calendar quarter if the initial term has been met. Email is not an accepted form</p> | |

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

of communication for a termination notice. Registrant's investment management fee shall be due through the end of the initial term, or, if the initial term has been met, through the end of the current calendar quarter.

SERVICE LEVELS

For clients who have engaged Registrant prior to 12/31/2008, the client may select to continue the existing engagement with the Registrant under the client's current agreement(s), or the client may select a new service level if desired.

For new clients, after 12/31/2008, client may select from the following service levels. Each service level outlined requires both financial planning and investment management. Clients may engage the Registrant's services for planning only, however, an investment management agreement must always be accompanied by a planning agreement.

A client may elect to move between service levels once the initial term of the current service level has been met. At Registrants discretion, and with signed agreement of both parties, Registrant may waive the minimum initial term for existing clients moving between levels of service.

Clients with agreement(s) in place prior to 12/31/2008 who choose to convert to one of the new service levels may not revert to a billing arrangement set forth prior to 1/01/2009.

Platinum Service Level – Financial Planning and Consulting

The Platinum Service level requires an annual planning fee of \$10,000 subject to periodic increases. This annual planning fee shall be prorated and paid quarterly, in advance. There is a 24 month initial engagement agreement for this level of service with an automatic calendar quarter renewal thereafter.

The Platinum service level is intended to be all-inclusive in nature. The fee covers a detailed Personal Financial Plan, ongoing consultation for any matter that may arise, and quarterly review meetings. Each quarter will typically focus on a portion of the financial plan so that the entire plan is reviewed in detail and updated as needed over the course of each year. The retainer fee allows for ongoing and as-needed consultation pertaining to the financial plan or any other matter affecting the client's personal finances.

At the Platinum level service, the services that are not included in the planning retainer are as follows: fiduciary assessments and consulting, small business/practice consulting, and divorce planning. This list is subject to change as new service offerings are added. These planning services are offered on an hourly and/or per project basis. For hourly services and fees, an estimate of the total fee to be incurred is presented. Generally, one-half of the estimated fee is due upon the client's approval of the scope of the project, and the remainder of the fee is due based upon the terms of the engagement but no later than the completion of the service. These planning services are billed at \$300 per hour, subject to periodic increases.

Platinum Service Level – Investment Management

Assets Percentage Fee

0.60% of the portfolio balance, with a minimum annual fee of \$15,000. The annual fee shall be prorated and paid quarterly, in advance, based upon the market value of the assets on the last business day of the previous calendar quarter.

The Platinum service level is intended to be all inclusive. Searcy Financial Services, Inc. will review and charge a fee for all investments regardless of where they are held and who manages them.

Gold Service Level – Financial Planning and Consulting

The Gold Service level requires a minimum annual planning fee of \$5,000 subject to periodic increases. This annual planning fee shall be prorated and paid quarterly, in advance. There is a 12 month initial engagement agreement for this level of service with an automatic calendar quarter renewal thereafter.

The Gold service level is intended to cover the basic components of a Personal Financial Plan, a meeting to discuss vision and goals, prioritize goals, and gather data, a meeting to review the Personal Financial Plan, and semi-annual update meetings thereafter. The following services are included in the \$5,000 annual planning fee:

- Getting to know you and data collection meeting
- Identification of personal and financial goals
- Assist client in preparing net worth statement and cash flow (budget) statement
- Retirement (financial freedom) planning (*updated every 3 years*)
- Education planning (*updated every 3 years, if applicable*)
- Investment planning and portfolio design
- Risk management (insurance review)
- Estate planning review

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

For all services that are not listed as included services, the standard hourly fee applies. Examples may include: additional meetings, special projects or research, gathering data for and/or meetings with other advisors, multiple year financial projections or balance sheet, cash flow and tax forecasts along with written financial statement footnotes. For hourly services and fees, an estimate of the total fee to be incurred is presented. Generally, one-half of the estimated fee is due upon the client's approval of the scope of the project, and the remainder of the fee is due based upon the terms of the engagement but no later than the completion of the service. These planning services are billed at \$300 per hour, subject to periodic increases.

Gold Service Level – Investment Management

Assets Percentage Fee

| | |
|-----------------------|---|
| Up to \$3,000,000 | 0.75% of the portfolio balance with a minimum annual fee of \$5,000 |
| \$3,000,001 and above | 0.50% of the portfolio balance in excess of \$3,000,000 |

The annual fee shall be prorated and paid quarterly, in advance, based upon the market value of the assets on the last business day of the previous calendar quarter. At the Gold service level, Searcy Financial Services, Inc. will review and charge a fee for all investments regardless of where they are held and who manages them.

Silver Service Level – Financial Planning and Consulting Services

The Silver service level is an a-la-cart service for clients who require little planning. However, some basic planning is necessary for all clients of Searcy Financial Services, Inc. At minimum, clients utilizing the Silver level service agree to the following:

- Getting to know you and data collection meeting (one-time)
- Identification of personal and financial goals
- Assist client in preparing net worth statement and cash flow (budget) statement
- One retirement (financial freedom) analysis
- Investment planning and portfolio design
- Meeting to review initial plan or periodic updates are required in subsequent years
- A mandatory review/update at least once every 3 years*

*The approximate time associated with ongoing updates is estimated to be 10 hours every 3 years.

For hourly services and fees, an estimate of the total fee to be incurred is presented. Generally, one-half of the estimated fee is due upon the execution of the Agreement (or upon client's approval of the scope of the project for required updates), and remainder of the fee is due based upon the terms of the engagement but no later than the completion of the service. These planning services are billed at \$300 per hour, subject to periodic increases.

Silver Service Level – Investment Management

Assets Percentage Fee

| | |
|----------------------------|--|
| Up to \$1,000,000 | 1.00% of the portfolio balance with a minimum fee of \$5,000 |
| \$1,000,001 to \$2,000,000 | \$10,000 + .75% x the portfolio balance in excess of \$1,000,000 |
| \$2,000,001 and above | \$17,500 + .50% x the portfolio balance in excess of \$2,000,000 |

This annual fee shall be prorated and paid quarterly, in advance, based upon the market value of the assets on the last business day of the previous quarter. There is a 12 month initial engagement agreement for this level of service with an automatic calendar quarter renewal thereafter.

Currently, Registrant primarily recommends that its clients allocate investment management assets among various individual debt and equity securities, mutual funds, ETF's and/or the investment subdivisions of variable annuity products, on a discretionary basis, in accordance with their designated investment objectives. Prior to rendering investment management services, the Registrant ascertains, in conjunction with the client, the client's financial situation, risk tolerance, and investment objective(s).

In addition, for those clients that require an enhanced and/or specialized level of asset management services, Registrant shall also recommend that certain clients authorize the active discretionary management of a portion of their assets by and/or among certain independent investment manager[s] and/or investment programs (the "*Independent Manager[s]*"), based upon the stated investment objectives of the client. The terms and conditions under which the client shall engage the *Independent Manager[s]* shall be set forth in a separate written agreement between the client and the designated *Independent Manager[s]*. The Registrant shall continue to render services to the client relative to the ongoing monitoring and review of account performance, asset allocation and client investment objectives, for which Registrant shall receive its above-referenced investment management fee based upon the market value of the assets being managed by the designated *Independent Manager[s]*. Factors which the Registrant shall consider in recommending *Independent Manager[s]* include the client's stated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research. The investment management fees charged by the designated *Independent Manager[s]*, together with the fees charged by the corresponding designated broker-dealer/custodian of the client's assets, are exclusive of, and in addition to, Registrant's ongoing investment advisory fee.

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

For clients (employer plan sponsors) that retain the services of Registrant as an investment advisor to provide investment advice and investment management services for 401(k) plans on behalf of the plan sponsor, Registrant may recommend the record keeping and reporting services of The Online 401k. Advisory fees for plans that utilize The Online 401k as the record keeper will be billed quarterly, in advance, with management fees based upon the market value of the total assets in the plan as of the close of business each calendar quarter. The annual investment management and service fees for Registrant shall vary between 1.0% and .35% depending upon the market value of assets, subject to a negotiable annual minimum fee, which will be determined based upon the required level of service requested by the employer plan sponsor. Fees charged by the designated record keeper and the custodian of the client's assets, are exclusive of, and in addition to, Registrant's ongoing investment advisory fee.

For clients (employer plan sponsors) with 401(k) plans utilizing John Hancock as the record keeper and custodian, advisory fees will be billed monthly, in advance, with management fees based upon the market value of the total assets in the plan as of the close of business each calendar month. The annual investment management and services fees for Registrant shall vary between 1.0% and .20% depending upon the market value of the assets and level of service provided to the plan sponsor and employees. Fees charged by the designated plan administrator and the custodian of the client's assets, are exclusive of, and in addition to, Registrant's ongoing investment advisory fee.

As discussed above, unless the client directs otherwise, Registrant shall generally recommend that *Schwab* or *Ameritrade* serve as the broker-dealer/custodian for client investment management assets. *Schwab* and *Ameritrade* charge brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e. transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity/debt securities transactions). In addition to Registrant's investment management fee, brokerage commissions and/or transaction fees, the client will also incur, relative to all mutual fund and ETF purchases, charges imposed at the mutual fund and ETF level (e.g. management fees and other fund expenses).

Factors which the Registrant considers in recommending a particular broker-dealer/custodian to clients include financial strength, reputation, execution, pricing, research, and service. In return for effecting securities transactions through a designated broker-dealer/custodian, Registrant *may* receive certain investment research products and/or services which assist the Registrant in its investment decision-making process for the client pursuant to Section 28(e) of the Securities Exchange Act of 1934. Although the commissions paid by Registrant's clients shall comply with the Registrant's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer/custodian might charge to effect the same transaction where the Registrant determines, in good faith, that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of broker-dealer/custodian services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Registrant will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. Although the investment research products and/or services that *may* be obtained by Registrant will generally be used to service all of Registrant's clients, a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that specific client's account. The brokerage commissions and/or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Registrant's investment management fee. No portion of the brokerage commissions and/or transaction fees shall be paid to the Registrant.

With respect to its non-discretionary investment management services, Registrant generally maintains ongoing responsibility to make recommendations, based upon the needs of the client, as to the securities the account may purchase or sell and, if such recommendation is accepted by the client, Registrant is generally responsible for arranging or effecting the purchase or sale unless otherwise agreed upon.

In performing its services, Registrant shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. The client is free to accept or reject any recommendation made by the Registrant in a non-discretionary engagement. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify the Registrant if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Registrant's previous recommendations and/or services.

Registrant's clients are advised to promptly notify the Registrant if there are ever any changes in their financial situation or investment objectives, or if they wish to impose any reasonable restrictions upon Registrant's management services.

Neither the Registrant nor the client may assign the *Financial Planning Agreement* or *Investment Advisory Agreement* without the prior written consent of the other party. Transactions that do not result in a change of actual control or management of the Registrant shall not be considered an assignment.

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

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| | <p>A copy of Registrant's written disclosure statement as set forth on Part II of Form ADV shall be provided to each client prior to or contemporaneously with the execution of the <i>Financial Planning Agreement</i> or <i>Investment Advisory Agreement</i>. Any client who has not received a copy of Registrant's written disclosure statement at least forty-eight (48) hours prior to executing the <i>Financial Planning Agreement</i> or <i>Investment Advisory Agreement</i> shall have five (5) business days subsequent to executing the agreement to terminate the Registrant's services without penalty.</p> |
| Item 3K(3) | <p>The Registrant may render advice on investment partnerships that invest in real estate, mortgages, cable television, equipment leasing, franchises, business operations and venture capital.</p> <p>To the extent that the Registrant provides consulting services relative to private investment products, the following disclosure applies:</p> <p><u>Please Note:</u> Private investment funds generally involve various risk factors and liquidity constraints, a complete discussion of which is set forth in each fund's offering documents, which will be provided to each client for review and consideration. Each prospective client investor will be required to complete a Subscription Agreement, pursuant to which the client shall establish that he/she is qualified for investment in the fund, and acknowledges and accepts the various risk factors that are associated with such an investment.</p> |
| Items 3L, 4A(5), 4B(8) and 4C(7) | <p>As discussed in the response to Item 1D above, Registrant may recommend that its clients authorize the active discretionary management of all or a portion of their assets by and/or among certain <i>Independent Manager[s]</i>, based upon the stated investment objectives of the client. Registrant shall continue to render services to the client relative to the monitoring and review of account performance, asset allocation, and investment objectives.</p> |
| Item 5 | <p>All individuals that provide advice on behalf of the Registrant must have earned a college degree and/or have substantive investment-related experience. In addition, all such individuals shall have attained all required investment-related licenses and/or designations.</p> |
| Item 6 | <p>MICHAEL J. SEARCY, ChFC, CFP®, AIFA® Born: October, 1954</p> <p>Education Background:</p> <p>University of Missouri, Columbia, Missouri, 1972 through 1973 Studies in Business Administration.</p> <p>University of Missouri, Kansas City, Missouri, 1973 through 1976 Studies in Business Administration.</p> <p>The American College, Bryn Mawr, Pennsylvania 1977 through 1980 and 1982 through 1983 Chartered Life Underwriter Chartered Financial Consultant</p> <p>The College for Financial Planning, Denver, Colorado 1979 through 1981 Certified Financial Planner</p> <p>University of Pittsburgh The Center for Fiduciary Studies Sewickley, PA March 2005 Accredited Investment Fiduciary</p> <p>University of Pittsburgh The Center for Fiduciary Studies Sewickley, PA May 2006 Accredited Investment Fiduciary Analyst</p> <p>Business Background:</p> <p>Searcy Financial Services, January 1976 through July 2000, Sole Proprietor Searcy Financial Services, LLC, August 2000 to July 2002, Managing Member</p> |

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| | <p>Searcy Financial Services, Inc., July 2002 to present, President</p> <p>QA³ Financial Corp. January 2003 to July 1, 2008 Registered Representative</p> <p>Marc C. Shaffer, CFP®, AIF®, EA Born: November, 1982</p> <p>Education Background:</p> <p>Kansas State University, Manhattan, Kansas 2001 through 2005 Bachelor of Science in Family Studies and Human Services with Emphasis on Personal Financial Planning Minor in Business Administration and Economics</p> <p>The College for Financial Planning, Denver, Colorado 2006 Certified Financial Planner</p> <p>Internal Revenue Service Enrolled Agent August 2008</p> <p>University of Pittsburgh The Center for Fiduciary Studies Sewickley, PA October 2008 Accredited Investment Fiduciary</p> <p>Business Background:</p> <p>DEW Wealth Strategies, May 2005 through March 2006, Financial Planning Associate Searcy Financial Services, Inc. April 2006 to present, Financial Planning Associate</p> |
| Item 6 | The center for Fiduciary Studies own the marks AIF® and AIFA®, which it awards to individuals who successfully complete initial and ongoing accreditation requirements. |
| Items 7A and 7B | <p>As discussed above in the response to Item 1D, Registrant <i>may</i> provide financial planning and non-investment related consultation services to its clients. As also discussed above in the response to Item 1D, the President of the Registrant, Michael J. Searcy, ChFC, CFP®, AIFA® in his individual capacity, is a licensed insurance agent and broker and in such capacity, may recommend the purchase of certain insurance-related products. In addition, other Associated Persons of the Registrant, in their individual capacities, may be licensed insurance agents and in such capacity, may recommend the purchase of certain insurance-related products. Insurance products may be commission products which will produce a one-time and/or ongoing commission for the Registrant or Registrant may charge a fee if no commission will be generated.</p> <p>In addition to financial planning and related consulting services, the President of the Registrant, Michael J. Searcy, ChFC, CFP®, AIFA® in his individual capacity, is also a principal of: (1) Vision Achievement Design, Inc. – a personal strategic planning, coaching and education firm (not involving the rendering of investment advisory services).</p> <p>Executive Concierge, LLC, a subsidiary of Vision Achievement Design, which provides access to non-financial services related consumer products at the wholesale level.</p> <p>Mr. Searcy currently devotes less than ten percent (10%) of his time to non-financial planning and investment advisory activities.</p> |
| Items 7B and 8C(9) | As discussed in Items 1D above, Registrant's Principals and/or Associated Persons, in their individual capacities, are also licensed insurance agents, and in such individual capacities, may recommend the purchase of certain insurance products to Registrant's clients on a commission basis. However, a client is not under any obligation whatsoever to purchase any insurance products from the Registrant's Principal and/or Associated Persons. |
| Item 9E | <p><u>Investment Policy</u></p> <p>As discussed below, Registrant has implemented an investment policy relative to personal securities transactions. This investment policy is part of Registrant's overall Code of Ethics which serves to establish a standard of business conduct for all of Registrant's Associated Persons that is based upon fundamental principles of openness, integrity, honesty and trust. A copy of the Code of Ethics is available upon request.</p> |

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| | <p>No employee of Registrant may effect for himself or herself or for his or her immediate family (i.e. spouse, minor children) (collectively "Covered Persons") any transactions in a security which is being actively purchased or sold, or is being considered for purchase or sale, on behalf of any of Registrant's clients, unless in accordance with the following Firm Procedures.</p> <p><u>Firm Procedures</u></p> <p>In order to implement Registrant's Investment Policy, the following procedures have been put into place with respect to Registrant and its Covered Persons:</p> <ol style="list-style-type: none"> (1) If Registrant is purchasing or considering for purchase any security on behalf of Registrant's client, no Covered Persons may transact in that security prior to the client purchase having been completed by Registrant (except that covered persons may transact in that security simultaneously with the client purchase) or until a decision has been made not to purchase the security on behalf of the client; and (2) If Registrant is selling or considering the sale of any security on behalf of Registrant's client, no Covered Persons may transact in that security prior to the sale on behalf of the client having been completed by Registrant (except that covered persons may transact in that security simultaneously with the client sale) or until a decision has been made not to sell the security on behalf of the client. <p><u>Exceptions</u></p> <ol style="list-style-type: none"> (1) This investment policy has been established recognizing that some securities being considered for purchase and sale on behalf of Registrant's clients trade in sufficiently broad markets to permit transactions to be completed without any appreciable impact on the markets of the securities. Under certain circumstances exceptions may be made to the policies stated above. Records of these trades, including the reasons for the exceptions, will be maintained with Registrant's records. (2) Open-end mutual funds and/or the investment subdivisions which may comprise a variable insurance product are purchased or redeemed at a fixed net asset value price per share specific to the date of purchase or redemption. As such, transactions in mutual funds and/or variable insurance products by Covered Persons are not likely to have an impact on the prices of the fund shares in which clients invest, and are therefore not prohibited by Registrant's Investment Policy and Procedures. <p>In accordance with Section 204A of the Investment Advisers Act of 1940, the Registrant also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by the Registrant or any person associated with the Registrant.</p> <p>Additionally, all employees of Registrant are required to acknowledge receipt of the Code of Ethics policy and to abide by the standards and practices contained therein. A copy of the policy will be provided annually and can also be sent upon request.</p> <p><u>Proxy Voting Policy</u></p> <p>Registrant does not vote client proxies. Therefore, although Registrant may provide investment advisory services relative to client investment assets, Registrant's client maintains exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Registrant and/or the client shall correspondingly instruct each custodian of the assets to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets. Any question regarding Registrant's proxy voting policy shall be directed to the Registrant.</p> |
| Item 10 | Please see the previous response set forth on this Schedule "F" to Item 1D. In addition, certain <i>Independent Manager(s)</i> may impose varying account minimums in order to commence an advisory engagement. |
| Item 12A and 12B | <p>Please see the previous responses set forth on this Schedule F to Item 1D. In addition, Registrant's general policies relative to the execution of client securities brokerage transactions are as follows:</p> <p><u>Execution of Brokerage Transactions (when applicable)</u>. Registrant will arrange for the execution of securities brokerage transactions for the account through broker-dealers/custodians that Registrant reasonably believes will provide "best execution". In seeking best execution, the determinative factor is not the lowest possible commission cost but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer/custodian's services including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Registrant will seek competitive commission rates, it may not necessarily obtain the lowest possible commission rates for account transactions.</p> <p>Consistent with obtaining best execution, transactions for a client's account may be effected through broker-dealer/custodian in return for research products and/or services which assist Registrant in its investment decision making process. Such research generally will be used to service all of Registrant's clients (including accounts that may not generate commissions used to pay for investment research), but brokerage commissions</p> |
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| | <p>paid by client may be used to pay for research that is not used in managing the client's account. The account may pay to a broker-dealer/custodian a commission greater than another qualified broker-dealer/custodian might charge to effect the same transaction where Registrant determines in good faith that the commission is reasonable in relation to the value of the brokerage and research services received.</p> <p>Transactions for each client account may be effected independently, unless Registrant decides to purchase or sell the same securities for several clients at approximately the same time. Registrant may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among Registrant's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among Registrant's clients in proportion to the purchase and sale orders placed for each client account on any given day. To the extent that the Registrant determines to aggregate client orders for the purchase or sale of securities, including securities in which Registrant's principal(s) and/or associated person(s) may invest, the Registrant shall generally do so in accordance with the parameters set forth in SEC No-Action Letter, <i>SMC Capital, Inc.</i> The Registrant shall not receive any additional compensation or remuneration as a result of the aggregation.</p> <p>The client may direct Registrant to use a particular broker-dealer/custodian (subject to the Registrant's right to decline and/or terminate the engagement) to execute some or all transactions for the client's account. In such event, the client will negotiate terms and arrangements for the account with that broker-dealer/custodian, and the Registrant will not seek better execution services or prices from other broker-dealer/custodians or be able to "batch" the client's transactions for execution through other broker-dealer/custodians with orders for other accounts managed by Registrant. As a result, client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. In the event that transactions for client accounts are effected through a broker-dealer/custodian that refers investment management clients to the Registrant, the potential for conflict of interest may arise.</p> <p><u>Initial Public Offering (IPO) Policy.</u> On occasion, Registrant, through its clearing/custodial firm relationships, may have limited access to IPO shares. Except with respect to the limited exception noted below, Registrant does not purchase and/or recommend for purchase IPOs for its individual client accounts. The exception to the above policy is for those individual clients of Registrant who, on a completely unsolicited basis, contact the Registrant to request that Registrant purchase a specific IPO for his/her/their/its account, to the extent same has been made available to Registrant. In the event of any such unsolicited request(s), Registrant, after first determining that the client(s) is <i>qualified</i> for such specific IPO (i.e., suitable for the client(s) relative to the client's(s') investment objective(s), financial situation(s) and current asset allocation(s)), <i>may</i> (to the extent possible under the circumstances) purchase such IPO on a pro-rata basis with other unsolicited client requests. To the extent possible and applicable under the circumstances, Registrant will allocate unsolicited individual client IPO share purchases among <i>qualified</i> individual clients on a rotational basis or some other fair and equitable basis. To the extent possible and applicable under the circumstances, the Registrant will use reasonable efforts to allocate available IPO shares on a fair and equitable basis in accordance with the terms and conditions of the aforementioned policy.</p> <p>See additional disclosure at Item 13A relative to <i>Schwab and Ameritrade</i>.</p> |
| Item 13A | <p>Please see previous responses set forth on this Schedule "F" regarding the association of Registrant's Principals and/or Associated Persons with various insurance companies, pursuant to which Registrant's Principals and Associated Persons may offer insurance products to the public on a commission basis.</p> <p>Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Registrant may receive from <i>Schwab</i> and/or <i>Ameritrade</i>, without cost (and/or at a discount) support services and/or products, certain of which assist the Registrant to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by the Registrant may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by Registrant in furtherance of its investment advisory business operations.</p> <p>As indicated above, certain of the support services and/or products that <i>may</i> be received may assist the Registrant in managing and administering client accounts. Others do not directly provide such assistance, but rather assist the Registrant to manage and further develop its business enterprise.</p> <p>Registrant's clients do not pay more for investment transactions effected and/or assets maintained at <i>Schwab</i> and/or <i>Ameritrade</i> as result of this arrangement. There is no corresponding commitment made by the Registrant to <i>Schwab</i> and/or <i>Ameritrade</i> or any other any entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as result of the above arrangement.</p> |
| Complete amended pages in full, circle amended items and file with execution page (page 1). | |

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| | <p><u>The Registrant's Chief Compliance Officer, Michael Searcy, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest any such arrangement may create.</u></p> |
| Item 13B | <p>If a client is introduced to the Registrant by either an unaffiliated or an affiliated solicitor, Registrant may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements. Any such referral fee shall be paid solely from the Registrant's investment management fee, and shall not result in any additional charge to the client. If the client is introduced to the Registrant by an unaffiliated solicitor, the solicitor, at the time of the solicitation, shall disclose the nature of his/her/its solicitor relationship. If the Registrant subsequently contacts or is contacted by the prospective client, the Registrant shall provide each prospective client with a copy of the Registrant's written disclosure statement as same is set forth on Part II of Form ADV, including this Schedule "F", together with a copy of the solicitor's written disclosure document and a statement to the client disclosing the terms of the solicitation arrangement between the Registrant and the solicitor, including the compensation to be received by the solicitor from the Registrant.</p> <p>One or more professionals at our firm are members of the Paladin Registry (www.paladinregistry.com). Investors use Registry services to learn about financial advisors, how to avoid bad financial advice, how to select quality advisors, to search for new or replacement advisors, and to view documentation for Registry advisors' credentials, ethics, and business practices. The Registry also matches our professionals with investors who use its search and documentation services. Registrant pays fixed monthly fees to Paladin for professionals who are members of the Registry. Registrant may also pay Paladin a match fee per investor or additional fixed fees when the referral source is a third party (Partner of Paladin). Paladin has relationships with websites and companies (Partners) whose members, clients, users, or customers have linked access to Registry services. Paladin uses membership and match fees to create visibility for the Registry on the Internet and in the media, develop relationships with Partners, and provide free public services to investors.</p> <p>The Registrant does not currently have or anticipate referral arrangements with unaffiliated persons whereby fees are shared. However, the Registrant does anticipate entering into bonus compensation arrangements with affiliated persons (i.e., employees of the Registrant) pursuant to which the Registrant may compensate these individuals in accordance with the requirements of Rule 206(4)-3.</p> |

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