

## Uniform Application for Investment Adviser Registration

## Part II - Page 1

OMB APPROVAL

OMB Number: 3235-0049

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Name of Investment Adviser:

**Lassus Wherley & Associates, P.C.**

Address: (Number and Street)

(City)

(State)

(Zip Code)

Area Code Telephone Number

1 Academy Street

New Providence

NJ

07974

908 464-0102

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

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

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

06/23/1999

**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  | 79 %    |
| <input type="checkbox"/> (2) Manages investment advisory accounts not involving investment supervisory services   | _____ % |
| <input checked="" type="checkbox"/> (3) Furnishes investment advice through consultations not included in either service described above                                    | 5 %     |
| <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 client 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                                   | 16 %    |
| <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.)

Yes No

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

☒ ☐

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 |  |

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

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

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

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

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

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

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

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

**5. Education and Business Standards.**

Yes No

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

☒ ☐

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

**6. Education and Business Background.**

For:

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

On Schedule F, give the:

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

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

- ☒ A. Applicant is actively engaged in a business other than giving investment advice.
- ☒ B. Applicant sells products or services other than investment advice to clients.
- ☐ C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.

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

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

- ☐ A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- ☐ B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:
- |   |   |
|---|---|
| <input type="radio"/> (1) broker-dealer   | <input type="radio"/> (7) accounting firm                                       |
| <input type="radio"/> (2) investment company  | <input type="radio"/> (8) law firm  |
| <input type="radio"/> (3) other investment adviser  | <input type="radio"/> (9) insurance company or agency                           |
| <input type="radio"/> (4) financial planning firm   | <input type="radio"/> (10) pension consultant                                   |
| <input type="radio"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant | <input type="radio"/> (11) real estate broker or dealer                         |
| <input checked="" type="radio"/> (6) banking or thrift institution  | <input type="radio"/> (12) entity that creates or packages limited partnerships |

(For each checked box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)

Yes No

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

☐ ☒

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

**9. Participation of Interest in Client Transactions.**

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

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

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

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

**10. Conditions for Managing Accounts.** Does the applicant provide investment supervisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services *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 triggers factors. **For reviewers**, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.

**Accounts are reviewed on either a monthly, quarterly, semi-annual or annual basis depending on the level of service required by the client. Accounts are also reviewed any time a major movement either up or down occurs in the market. Reviews are conducted by Diahann W. Lassus, CPA/PFS, CFP®, with assistance from Certified Financial Planner™ practitioners and other investment personnel. They currently handle approximately 249 clients (each client may have several accounts).**

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

**A quarterly, semi-annual, or annual summary on the status of the client's investments is provided depending on the level of service for which the client has contracted. This may include a report on current investment assets with the market value and estimated total return on investment. This report may be in a summary format or a detail format depending upon the needs of the individual client. Reports may also be requested by the client.**

**12. Investment or Brokerage Discretion.**

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

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

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

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

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

**13. Additional Compensation.**

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

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

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

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

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

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

Applicant: <b>Lassus Wherley &amp; Associates, P.C.</b>	SEC File Number: 801- <b>27567</b>	Date: 06/29/2009
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Form ADV: <b>Lassus Wherley &amp; Associates, P.C.</b>	IRS Empl. Ident. No.: 22-2601930
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Item of Form (identify)	Answer																		
Number 1.D., 1.A. (1), (3) and (7) and 1.C. (1), (2) and (3)	<p>The following ongoing services with corresponding fees are offered to new clients:</p> <p><b>Wealth Management</b> includes financial planning and investment advisory services. Lassus Wherley will be compensated for Wealth Management services exclusively by fees based on a percentage of the total portfolio value of assets it manages. The fee is equal to one fourth (1/4) of the annual rate. Fees are payable at the beginning of the quarter based on the market value of the invested assets in the account(s) as of the last day of the previous calendar quarter. Due to the high up-front cost for preparation of a financial plan, the advisor may require that accounts remain on the fee schedule below for a minimum of 36 months.</p> <p>In computing the market value of any security in the account, each security on a national exchange shall be valued, as of the valuation date, at the closing price on the principal exchange on which it is traded. Any other security in the account shall be valued in a manner determined in good faith to reflect fair market value.</p> <p>Fees for Wealth Management services will be based on the following fee schedule unless otherwise agreed to in writing:</p> <p>Minimum Annual Fee: \$15,000</p> <table border="1"> <thead> <tr> <th>FROM</th> <th>TO</th> <th>% of Assets</th> </tr> </thead> <tbody> <tr> <td>\$0</td> <td>\$2,000,000</td> <td>.90</td> </tr> <tr> <td>\$2,000,001</td> <td>\$5,000,000</td> <td>.75</td> </tr> <tr> <td>\$5,000,001</td> <td>\$10,000,000</td> <td>.50</td> </tr> <tr> <td>\$10,000,001</td> <td>\$25,000,000</td> <td>.40</td> </tr> <tr> <td>\$25,000,001</td> <td>and above</td> <td>.20</td> </tr> </tbody> </table> <p>There may be situations where Wealth Management services are provided to executives covered by an agreement between the advisor and a corporate employer. In these cases, fee proposals may be customized based upon the number of executives and the complexity of overall executive benefits.</p> <p><b>Financial Planning</b> service provides advice about cash flow, retirement/financial independence, education needs, investments, executive compensation, taxes, risk management, estate planning, and business issues. We prepare a written plan for each client. It is the responsibility of the client to provide Lassus Wherley with all the information required to prepare the financial plan. Lassus Wherley recommends that the client's financial plan include all their goals, constraints, assets, liabilities and cash flows. If the client elects not to include any of this information then there exists the risk that the financial plan may not achieve the client's goals.</p> <p>Lassus Wherley advises that the client have the investment planning portion of the financial plan prepared before investing money. One result from the completion of an investment plan is the</p>	FROM	TO	% of Assets	\$0	\$2,000,000	.90	\$2,000,001	\$5,000,000	.75	\$5,000,001	\$10,000,000	.50	\$10,000,001	\$25,000,000	.40	\$25,000,001	and above	.20
FROM	TO	% of Assets																	
\$0	\$2,000,000	.90																	
\$2,000,001	\$5,000,000	.75																	
\$5,000,001	\$10,000,000	.50																	
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Complete amended pages in full, circle amended items and file with execution page (page 1). PAGE 1

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

Applicant:  <b>Lassus Wherley &amp; Associates, P.C.</b>	SEC File Number:  801- <b>27567</b>	Date:  06/29/2009
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Form ADV: <b>Lassus Wherley &amp; Associates, P.C.</b>	IRS Empl. Ident. No.: 22-2601930
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Item of Form (identify)	Answer
	<p>identification of a target rate of return needed to achieve the client's long term goals, taking into account the clients constraints and assumptions made in the plan. If the client does not complete an investment plan and an arbitrary target rate of return is chosen, the likely result is either the assumption of needless risk with a target too high or not attaining long term goals with a target too low.</p> <p>For each of the financial planning areas covered by the plan the client will be given a list of recommended actions that the client should take in order to achieve their financial goals. If the client requests assistance in implementing any of those actions then Lassus Wherley will provide assistance where it feels it can add value. However, the client agrees and understands that they alone are responsible for taking the recommended actions, with the exception of investment advisory services. The client understands that Lassus Wherley is neither directly nor indirectly responsible for the implementation of any of the action steps, again with the exception of investment advisory services.</p> <p>Included in the fee will be an offer every three years to update sections of the financial plan if needed.</p> <p><b>Investment Advisory</b> service can be provided for any type of account including but not limited to 401(k) accounts, Deferred Compensation, Trust, IRA's, and Brokerage accounts. This service provides for the individual management of the account including the placing of orders, quarterly investment reports and meetings as required.</p> <p>Lassus Wherley recommends that the client hire it to manage the client's entire investment portfolio to strive to obtain the client's target rate of return and therefore achieve the client's long term goals and objectives. Lassus Wherley will devise a portfolio designed to achieve the client's goals, implement investment recommendations and conduct ongoing reviews of the investments. If the client chooses not to have Lassus Wherley provide investment advisory services for all of their investable assets then the client may assume unnecessary risks or not have enough wealth to achieve their goals. Note that a conflict of interest exists here since fees paid to Lassus Wherley for investment advisory services are based on total assets under management.</p> <p>Lassus Wherley will invest the client's investment portfolio in accordance with their long term goals and objectives. If a client's circumstances should change, or if there are any restrictions the client wishes to put in place, it is the responsibility of the client to let us know as soon as possible so that we can review the portfolio and make changes as appropriate.</p> <p><b>Financial Planning and Investment Advisory services can be unbundled outside of the Wealth Management framework.</b></p> <p>Fees for <b>Financial Planning</b> service outside the Wealth Management framework are based on the following hourly rates unless otherwise agreed to in writing:</p>



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

Applicant: <b>Lassus Wherley &amp; Associates, P.C.</b>	SEC File Number: 801- <b>27567</b>	Date: 06/29/2009
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Form ADV: <b>Lassus Wherley &amp; Associates, P.C.</b>	IRS Empl. Ident. No.: 22-2601930
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Item of Form (identify)	Answer																										
	<table border="1"> <tr> <td>Principal</td> <td>\$325</td> </tr> <tr> <td>Senior Planner</td> <td>\$225</td> </tr> <tr> <td>Certified Financial Planner</td> <td>\$175</td> </tr> <tr> <td>Associate Planner</td> <td>\$130</td> </tr> </table> <p>The minimum fee for a financial plan is \$10,000. An exception may be made for children of current clients. Fees could range from \$10,000 up to \$30,000 or more based on the complexity of the situation.</p> <p>These fees are established based on cost and are subject to change with thirty days written notice to the client. The client may choose to pay a flat fee for the plan or to pay by the hour. The flat fee is based on an estimate of cost by the financial planner. The client may cancel the contract at any time and pay incurred costs. A 50% (of the estimated cost of the plan) good faith deposit is required at the beginning of the plan. The remainder is due and payable within 48 hours of the completion of the plan unless prior arrangements are made. Overdue invoices may be charged 1 1/2 percent per month on the unpaid balance.</p> <p>There may be situations where Financial Planning service is provided to executives covered by an agreement between the advisor and a corporate employer. In these cases, fee proposals may be customized based upon the number of executives and the complexity of overall executive benefits.</p> <p>Project work may be undertaken on behalf of a client. In these situations services are priced based upon the time and expertise required.</p> <p>Fees for <b>Investment Advisory</b> service outside of the Wealth Management framework of any type of account including but not limited to 401(k) accounts, Deferred Compensation, Trust, IRA's, and Brokerage accounts are based upon the following fee schedule unless otherwise agreed to in writing:</p> <p>Minimum Annual Fee \$10,000</p> <table border="1"> <thead> <tr> <th>FROM</th> <th>TO</th> <th>% of Assets</th> </tr> </thead> <tbody> <tr> <td>\$0</td> <td>\$2,000,000</td> <td>.90</td> </tr> <tr> <td>\$2,000,001</td> <td>\$5,000,000</td> <td>.75</td> </tr> <tr> <td>\$5,000,001</td> <td>\$10,000,000</td> <td>.50</td> </tr> <tr> <td>\$10,000,001</td> <td>\$25,000,000</td> <td>.40</td> </tr> <tr> <td>\$25,000,001</td> <td>and above</td> <td>.20</td> </tr> </tbody> </table> <p>Please note that we have established a special type of account for the children and certain other family members of our clients where we waive the minimum fee and bill based upon the amount of</p>	Principal	\$325	Senior Planner	\$225	Certified Financial Planner	\$175	Associate Planner	\$130	FROM	TO	% of Assets	\$0	\$2,000,000	.90	\$2,000,001	\$5,000,000	.75	\$5,000,001	\$10,000,000	.50	\$10,000,001	\$25,000,000	.40	\$25,000,001	and above	.20
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Complete amended pages in full, circle amended items and file with execution page (page 1). PAGE 3

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

Applicant:  <b>Lassus Wherley &amp; Associates, P.C.</b>	SEC File Number:  801- <b>27567</b>	Date:  06/29/2009
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Form ADV: <b>Lassus Wherley &amp; Associates, P.C.</b>	IRS Empl. Ident. No.: 22-2601930
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Item of Form (identify)	Answer
	<p>assets involved. For accounts that are part of a relationship we may combine assets under management to determine fees.</p> <p>Due to the high cost of set-up and up-front processing, the advisor may require an initial twelve (12) month commitment. The pro-rata portion of any advance fee is refunded in the event of cancellation after one year. The advisor will not base its fees on the capital gains or the capital appreciation of any funds or any part of the client's funds.</p> <p>In computing the market value of any security in the account, each security on a national exchange shall be valued, as of the valuation date, at the closing price on the principal exchange on which it is traded. Any other security in the account shall be valued in a manner determined in good faith to reflect fair market value.</p> <p><b>Investment -Wealth Builder</b> service is limited to individuals with under \$500,000 in invested assets who are committed to a high rate of saving. Fees begin at a minimum of \$5,000 or 1% of assets, whichever is higher. It is expected that after 3 years or reaching \$500,000 in invested assets, the current standard minimum for investment advisory accounts outside the Wealth Management framework will apply.</p> <p>Due to the high cost of set-up and up-front processing, the advisor may require an initial twelve (12) month commitment. The pro-rata portion of any advance fee is refunded in the event of cancellation after one year. The advisor will not base its fees on the capital gains or the capital appreciation of any funds or any part of the client's funds.</p> <p>In computing the market value of any security in the account, each security on a national exchange shall be valued, as of the valuation date, at the closing price on the principal exchange on which it is traded. Any other security in the account shall be valued in a manner determined in good faith to reflect fair market value.</p> <p>INCENTIVE COMPENSATION ANALYSIS AND ONGOING REVIEW services are priced based upon the time and expertise required.</p> <p>OTHER ADMINISTRATIVE services may include bill-paying services, tax preparation services, etc. and are priced based upon the time and expertise required.</p> <p>Clients whose assets are invested in shares of mutual funds, where a management fee is assessed as an expense, are, in effect, paying two advisory fees.</p> <p>First, clients pay the standard quarterly fee on the market value of total assets under LWA's management which includes the assets invested in the mutual funds. Second, the client pays an advisory fee to the investment advisor of the mutual fund based upon the amount of the client's investment in the fund. The client also pays a proportionate share of other expenses of the mutual fund. In addition, the client pays transaction fees directly to the broker dealer. Since Lassus Wherley</p>

Complete amended pages in full, circle amended items and file with execution page (page 1). PAGE 4

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

Applicant: <b>Lassus Wherley &amp; Associates, P.C.</b>	SEC File Number: 801- <b>27567</b>	Date: 06/29/2009
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Form ADV: <b>Lassus Wherley &amp; Associates, P.C.</b>	IRS Empl. Ident. No.: 22-2601930
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Item of Form (identify)	Answer
	<p>receives no part of these fees, our only incentive is to secure the best rate we can for the benefit of our clients, taking into consideration quality of service in executing the transaction.</p> <p>Lassus Wherley offers to provide its services to its employees at reduced fees.</p> <p><b>FIDUCIARY OATH</b></p> <p>Lassus Wherley shall exercise its best efforts to act in good faith and in the best interests of our clients. Lassus Wherley will provide written disclosure to the client prior to involving us, and throughout the term of our involvement, of any conflicts of interest which may compromise our impartiality or independence.</p> <p>Lassus Wherley does not receive any compensation or other payment that is contingent upon any purchase or sale of a financial product in a client's account. Lassus Wherley also does not receive or pay a fee or other compensation from or to another party based upon a referral of a client.</p> <p><b>PROXY VOTING</b></p> <p>At account opening if a client chooses to delegate proxy voting to Lassus Wherley, we, as a matter of policy and as a fiduciary to our clients, have responsibility for voting proxies for portfolio securities consistent with the best economic interests of the clients. Our firm maintains written policies and procedures as to the handling, research, voting and reporting of proxy voting and makes appropriate disclosures about our firm's proxy policies and practices. Our policy and practice includes the responsibility to monitor corporate actions, receive and vote client proxies and disclose any potential conflicts of interest as well as making information available to clients about the voting of proxies for their portfolio securities and maintaining relevant and required records. Information about the voting of proxies for clients' portfolio securities and a copy of the policies and procedures governing proxy voting is available upon request.</p> <p>Lassus Wherley may also recommend partnerships in the following areas: equipment leasing, research &amp; development and venture capital.</p> <p>Lassus Wherley frequently offers to prepare a financial plan which establishes the target rate of return to achieve the client's goals. This rate of return is then used to construct the client's portfolio. Lassus Wherley's investment philosophy is based on Modern Portfolio Theory which holds that asset allocation is the primary determinant of portfolio performance. Lassus Wherley uses the target rate of return to develop a customized target asset allocation which is a portfolio designed to achieve the client's rate of return goal while minimizing unnecessary risk.</p> <p>Lassus Wherley implements the client's target asset allocation using no-load and institutional asset class mutual funds. Lassus Wherley prefers to use index mutual funds but recognizes that in certain sectors actively managed mutual funds can add value. Lassus Wherley's typical investment strategy does not include market timing, purchasing individual securities or using mutual funds with active</p>

Number 3.K.(3)

Number 4.A.(5) and 4.C.(7)

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

Applicant: <b>Lassus Wherley &amp; Associates, P.C.</b>	SEC File Number: 801- <b>27567</b>	Date: 06/29/2009
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Form ADV: <b>Lassus Wherley &amp; Associates, P.C.</b>	IRS Empl. Ident. No.: 22-2601930
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Item of Form (identify)	Answer																								
	<p>managers who try to beat their benchmarks. However, our investment strategy is flexible enough to accommodate special situations such as low basis stock and stock options. Clients typically authorize Lassus Wherley to use its discretion in implementing the client's target asset allocation if these special situations exist.</p> <p>Lassus Wherley conducts an ongoing review of current investments and will rebalance the client's asset allocation back to the target if the result will be of benefit to the client, particularly following significant market moves. Lassus Wherley conducts an ongoing search for new investment opportunities that will add value to the client's investment portfolio and enhance the probability of achieving the client's goals. Lassus Wherley provides quarterly reports to its clients. Annual meetings may be held with clients to review the client's portfolio and may include recommended changes and/or information about new investment vehicles. The annual meeting also is an opportunity for the client to update Lassus Wherley on any changes in their financial situation or goals. If appropriate, changes are made to the client's asset allocation to reflect the client's current circumstances/situation.</p>																								
Number 5.	<p>Encourage such credentials as Certified Financial Planner™ (CFP®) and Chartered Financial Consultant (ChFC).</p>																								
Number 6.	<p><b>Diahann W. Lassus, CFP®, CPA/PFS</b> Birthdate: September 25, 1951</p> <p>Education:</p> <table><tr><td>Fairleigh Dickinson Univ</td><td>09/91</td><td>12/91</td><td>Graduate Actg Courses</td></tr><tr><td>College of Financial Planning</td><td>01/85</td><td>01/86</td><td>CFP®</td></tr><tr><td>Univ of North Florida</td><td>08/76</td><td>08/77</td><td>MBA</td></tr><tr><td>Florida State University</td><td>05/75</td><td>06/76</td><td>BS Mgmt</td></tr><tr><td>Univ of North Florida</td><td>09/73</td><td>04/75</td><td></td></tr><tr><td>Florida Junior College</td><td>09/71</td><td>08/73</td><td>AA</td></tr></table> <p>Employment History:</p> <p>12/84 to present Lassus Wherley &amp; Associates, P.C. Financial Planning for small business and</p>	Fairleigh Dickinson Univ	09/91	12/91	Graduate Actg Courses	College of Financial Planning	01/85	01/86	CFP®	Univ of North Florida	08/76	08/77	MBA	Florida State University	05/75	06/76	BS Mgmt	Univ of North Florida	09/73	04/75		Florida Junior College	09/71	08/73	AA
Fairleigh Dickinson Univ	09/91	12/91	Graduate Actg Courses																						
College of Financial Planning	01/85	01/86	CFP®																						
Univ of North Florida	08/76	08/77	MBA																						
Florida State University	05/75	06/76	BS Mgmt																						
Univ of North Florida	09/73	04/75																							
Florida Junior College	09/71	08/73	AA																						

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

Applicant: <b>Lassus Wherley &amp; Associates, P.C.</b>	SEC File Number: 801- <b>27567</b>	Date: 06/29/2009
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Form ADV: <b>Lassus Wherley &amp; Associates, P.C.</b>	IRS Empl. Ident. No.: 22-2601930
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Item of Form (identify)	Answer																
	<p>individuals.</p> <p>9/77 to 12/84 AT&amp;T Technologies, Financial Operations, Dept. Chief</p> <p>Responsible for three regional operations with a budget of 2 million dollars.</p> <p>Special Project 1984 Olympics Field Operations Mgr. Planned, implemented, and operated the largest temporary network ever designed.</p> <p>New Orleans Service Center, Dept Chief Data Processing, Methods and Customer Service.</p> <p>Responsible for service and support functions for two state area - annual sales of 140 million.</p> <p><b>Clare E. Wherley, CPA, CFP®</b> Birthdate: December 28, 1944</p> <p>Education:</p> <table><tr><td>Fairleigh Dickinson Univ</td><td>1987</td><td>1988</td><td>MBA - Accounting</td></tr><tr><td>University of San Francisco</td><td>1969</td><td>1973</td><td>MBA - Business</td></tr><tr><td>Duquesne University</td><td>1962</td><td>1966</td><td>BS - Math</td></tr><tr><td>York Catholic High</td><td>1958</td><td>1962</td><td>Diploma</td></tr></table> <p>Employment History:</p> <p>10/87 to present Lassus Wherley &amp; Associates, P.C., Certified Public Accountant Services include accounting, taxes, and management advisory services.</p> <p>8/66 to 10/87 AT&amp;T</p> <p>4/85 to 10/88 Network Systems, Marketing and Sales Organization Development</p> <p>1/84 to 4/85 Special Assignment, Operations Director 1984 Summer Olympics</p> <p>8/76 to 1/84 Western Electric Variety of assignments including accounting, computers, warehousing,</p>	Fairleigh Dickinson Univ	1987	1988	MBA - Accounting	University of San Francisco	1969	1973	MBA - Business	Duquesne University	1962	1966	BS - Math	York Catholic High	1958	1962	Diploma
Fairleigh Dickinson Univ	1987	1988	MBA - Accounting														
University of San Francisco	1969	1973	MBA - Business														
Duquesne University	1962	1966	BS - Math														
York Catholic High	1958	1962	Diploma														

Complete amended pages in full, circle amended items and file with execution page (page 1). PAGE 7

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

Applicant: <b>Lassus Wherley &amp; Associates, P.C.</b>	SEC File Number: 801- <b>27567</b>	Date: 06/29/2009
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Form ADV: <b>Lassus Wherley &amp; Associates, P.C.</b>	IRS Empl. Ident. No.: 22-2601930
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Item of Form (identify)	Answer								
Number 7 A.B.	<p>methods, and R&amp;D.</p> <p>8/66 to 10/76 Operating Companies &amp; AT&amp;T General Depts Variety of assignments including systems development, Yellow Pages, and corporate planning.</p> <p>Lassus Wherley is 100% fee only and sells no investment products. Lassus Wherley offers Wealth Management services which includes financial planning and investment advisory services. Lassus Wherley also offers unbundled fee-for-service financial planning and investment advisory services, tax preparation, and other administrative and accounting services. See also the information provided in 1A., C. and D. above.</p> <p>The following is a breakdown of the Principals' time:</p> <p>Diahann W. Lassus</p> <table border="1"> <tr> <td>30%</td> <td>Financial Planning</td> </tr> <tr> <td>70%</td> <td>Investment Advisory</td> </tr> </table> <p>Clare E. Wherley</p> <table border="1"> <tr> <td>30%</td> <td>Accounting/Taxes</td> </tr> <tr> <td>70%</td> <td>Financial Planning</td> </tr> </table>	30%	Financial Planning	70%	Investment Advisory	30%	Accounting/Taxes	70%	Financial Planning
30%	Financial Planning								
70%	Investment Advisory								
30%	Accounting/Taxes								
70%	Financial Planning								
Number 8.C.(6)	<p>Lassus Wherley Ventures, owned by Diahann W. Lassus, Clare E. Wherley, and Suzanne C. Low, has a less than 1% ownership interest in a savings and loan holding company, National Advisors Holdings, Inc. ("NAH") that has formed a federally chartered trust company, National Advisors Trust Company ("NATC"). Diahann W. Lassus and Clare E. Wherley also own shares of National Advisors Trust within their IRA accounts and through Lassus Wherley Capital, LLC. NAH and NATC are regulated by the Office of Thrift Supervision. The trust company intends to provide a low cost alternative to traditional trust service providers, and Lassus Wherley intends to refer clients to NATC for trust services. As a result of this ownership interest, any such referral shall present a conflict of interest.</p>								
Number 9.E.	<p>LWA principals and employees may purchase mutual funds that are recommended to clients. Internal procedures have been established that assure that we put our clients' interests first.</p> <p>CODE OF ETHICS</p> <p>Lassus Wherley's code of ethics establishes rules of conduct for all employees of Lassus Wherley and is designed to, among other things, govern personal securities trading activities in the accounts of employees. The Code is based upon the principle that Lassus Wherley and its employees owe a</p>								

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

Applicant: <b>Lassus Wherley &amp; Associates, P.C.</b>	SEC File Number: 801- <b>27567</b>	Date: 06/29/2009
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Form ADV: <b>Lassus Wherley &amp; Associates, P.C.</b>	IRS Empl. Ident. No.: 22-2601930
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Item of Form (identify)	Answer
<p>Number 10.</p> <p>Number 12A. (1), (2) and (4) and 12B.</p>	<p>fiduciary duty to Lassus Wherley's clients to conduct their affairs, including their personal securities transactions, in such a manner as to avoid (i) serving their own personal interests ahead of clients, (ii) taking inappropriate advantage of their position with the firm and (iii) any actual or potential conflicts of interest or any abuse of their position of trust and responsibility. A copy of the code of ethics is available upon request.</p> <p>Wealth Management service requires a minimum annual fee of \$15,000. Unbundled minimum annual fees for Investment Advisory services and Financial Planning services are each \$10,000.</p> <p>Investment Advisory accounts are discretionary unless otherwise agreed. Any limitations on this authority must be clearly defined in the agreement. Clients sign a limited power of attorney or other trading authorization as may be required by the custodian/broker-dealer to effect trades on their behalf. Lassus Wherley, in consultation with the client, is responsible for selecting the custodian/broker-dealer that will best fit the client's situation.</p> <p>For the economic benefit of its clients, Lassus Wherley negotiates reduced commission schedules and lower transaction fees with the custodians/broker-dealers. Lassus Wherley does not receive any portion of these commissions paid by the client to these custodians/broker-dealers. Lassus Wherley does not have any soft dollar arrangements with its custodians/broker-dealers and there are no directed brokerage arrangements.</p> <p>Accounts are directed through Charles Schwab &amp; Company (Schwab), National Advisors Trust Company (Trust Co.) or Fidelity Investments (Fidelity). Schwab, Trust Co. and Fidelity provide to Lassus Wherley daily computer transactions, on-line trading capability, bundled statements and a dedicated team of professionals at no charge to Lassus Wherley. The custodians benefit from using Lassus Wherley as an intermediary with clients.</p> <p>Clients who effect transactions through broker-dealers other than those recommended by LWA may pay commission rates which are less favorable than those LWA may be able to negotiate when it selects broker-dealers to execute transactions on behalf of its clients. However, it is possible that clients could pay a higher commission through the LWA recommended broker than through another broker.</p> <p>We may recommend that clients establish brokerage accounts with the Schwab Institutional division of Schwab, a registered broker-dealer, member SIPC/NYSE, to maintain custody of clients' assets and to effect trades for their accounts. Schwab Institutional provides Lassus Wherley with access to its institutional trading and operations services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors at no charge to them so long as a total of at least \$10 million of the advisor's client account assets are maintained at Schwab Institutional. Schwab Institutional's services include research, brokerage, custody, access to mutual funds and other investments that are otherwise available only to institutional investors or would require a significantly higher minimum initial investment.</p> <p>Schwab Institutional also makes available to Lassus Wherley other products and services that benefit</p>

Complete amended pages in full, circle amended items and file with execution page (page 1). PAGE 9

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

Applicant:  <b>Lassus Wherley &amp; Associates, P.C.</b>	SEC File Number:  801- <b>27567</b>	Date:  06/29/2009
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Form ADV: <b>Lassus Wherley &amp; Associates, P.C.</b>	IRS Empl. Ident. No.: 22-2601930
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Item of Form (identify)	Answer
	<p>our company but may not benefit our clients' accounts. Some of these other products and services assist us in managing and administering client 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 management fees from our clients' accounts, and assist with back-office support, recordkeeping and client reporting.</p> <p>Many of these services generally may be used to service all or a substantial number of Lassus Wherley accounts, including accounts not maintained at Schwab Institutional. Schwab Institutional may also provide Lassus Wherley with other services intended to help us manage and further develop its business enterprise. These services may include consulting, publications and presentations 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 to Lassus Wherley 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 Lassus Wherley. The availability to Lassus Wherley of the foregoing products and services is not contingent upon Lassus Wherley committing to Schwab Institutional any specific amount of business (assets in custody or trading) .</p> <p>We may recommend that clients custody accounts with National Advisors Trust Company (Trust Co.) to maintain custody of clients' assets and to effect trades for their accounts. Trust Co. provides Lassus Wherley with access to its trading and operations services. These services generally are available to independent investment advisors at no charge to them. Trust Co.'s services include research, brokerage, custody, access to mutual funds and other investments that are otherwise available only to institutional investors or would require a significantly higher minimum initial investment.</p> <p>Trust Co. also makes available to Lassus Wherley other products and services that benefit our company but may not benefit our clients' accounts. Some of these other products and services assist us in managing and administering client 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 management fees from our clients' accounts, and assist with back-office support, recordkeeping and client reporting.</p> <p>Many of these services generally may be used to service all or a substantial number of Lassus Wherley accounts, including accounts not maintained at Trust Co. Trust Co. may also provide Lassus Wherley with other services intended to help us manage and further develop its business enterprise. These services may include consulting, publications and presentations on practice management, information technology, business succession, regulatory compliance, and marketing. In addition, Trust Co. may make available, arrange and/or pay for these types of services to Lassus Wherley by independent third parties. Trust Co. 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 Lassus Wherley. The availability to Lassus Wherley of the foregoing products and services is not contingent upon Lassus Wherley committing to Trust Co. any specific amount of business (assets in</p>

Complete amended pages in full, circle amended items and file with execution page (page 1). PAGE 10



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

Applicant:  <b>Lassus Wherley &amp; Associates, P.C.</b>	SEC File Number:  801- <b>27567</b>	Date:  06/29/2009
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Form ADV: <b>Lassus Wherley &amp; Associates, P.C.</b>	IRS Empl. Ident. No.: 22-2601930
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Item of Form (identify)	Answer
	<p>custody or trading) .</p> <p>We may recommend that clients establish brokerage accounts with Fidelity to maintain custody of clients' assets and to effect trades for their accounts. Fidelity provides Lassus Wherley with access to its institutional trading and operations services, which are typically not available to Fidelity retail investors. These services generally are available to independent investment advisors at no charge to them. Fidelity's services include research, brokerage, custody, access to mutual funds and other investments that are otherwise available only to institutional investors or would require a significantly higher minimum initial investment.</p> <p>Fidelity also makes available to Lassus Wherley other products and services that benefit our company but may not benefit our clients' accounts. Some of these other products and services assist us in managing and administering client 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 management fees from our clients' accounts, and assist with back-office support, recordkeeping and client reporting.</p> <p>Many of these services generally may be used to service all or a substantial number of Lassus Wherley accounts, including accounts not maintained at Fidelity. Fidelity may also provide Lassus Wherley with other services intended to help us manage and further develop its business enterprise. These services may include consulting, publications and presentations on practice management, information technology, business succession, regulatory compliance, and marketing. In addition, Fidelity may make available, arrange and/or pay for these types of services to Lassus Wherley by independent third parties. Fidelity 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 Lassus Wherley. The availability to Lassus Wherley of the foregoing products and services is not contingent upon Lassus Wherley committing to Fidelity any specific amount of business (assets in custody or trading).</p>

Complete amended pages in full, circle amended items and file with execution page (page 1). PAGE 11

**Schedule G of  
Form ADV  
Balance Sheet**

Applicant:  <b>Lassus Wherley &amp; Associates, P.C.</b>	SEC File Number:  801- <b>27567</b>	Date:  06/29/2008
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(Answers for Form ADV Part II Item 14.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>Lassus Wherley &amp; Associates, P.C.</b>	IRS Empl. Ident. No.: 22-2601930
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Instructions

1. The balance sheet must be:
  - A. Prepared in accordance with generally accepted accounting principles
  - B. Audited by an independent public accountant
  - C. 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. Qualification 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:
  - A. Must show investment advisory business assets and liabilities separate from other business and personal assets and liabilities.
  - B. 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).**

**LASSUS WHERLEY & ASSOCIATES, P.C.**

**BALANCE SHEETS**

**AS OF MARCH 31, 2009 AND 2008**

**LASSUS WHERLEY & ASSOCIATES, P.C.**

**BALANCE SHEETS**

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**BARRE & COMPANY**  
**CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS**

*2204 Morris Avenue, Suite 303*

*Union, New Jersey 07083*

*(908) 686-3484*

*FAX (908) 686-6055*

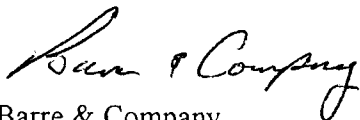
**Independent Auditor's Report**

To the Board of Directors of  
Lassus Wherley & Associates, P.C.  
1 Academy Street  
New Providence, New Jersey 07974

We have audited the accompanying balance sheets of Lassus Wherley & Associates, P.C. as of March 31, 2009 and 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 audits.

We conducted our audits 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 sheets are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the balance sheets. 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 audits of the balance sheets provide a reasonable basis for our opinion.

In our opinion, the balance sheets referred to above present fairly, in all material respects, the financial position of Lassus Wherley & Associates, P.C. in conformity with accounting principles generally accepted in the United States of America.



Barre & Company  
Union, New Jersey

June 16, 2009

*www.cpa-bc.com • info@cpa-bc.com*

*5 Independence Way • Suite 300 • Princeton, NJ 08540 • (609) 275-4810  
Metro Park Center • 33 Wood Avenue So. • Iselin, NJ 08830 • (732) 603-2100*

**LASSUS WHERLEY & ASSOCIATES, P.C.**  
**BALANCE SHEET**  
**AS OF MARCH 31,**

	<u>2009</u>	<u>2008</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 277,558	\$ 151,627
Available-for-sale securities	34,241	129,001
Prepaid expenses	33,110	41,742
Accounts receivable - net of allowance for doubtful accounts of \$2,000 and \$2,000	74,834	105,224
Total current assets	<u>419,743</u>	<u>427,594</u>
<b>PROPERTY AND EQUIPMENT - NET</b>	295,453	267,895
<b>OTHER ASSETS</b>		
Intangible assets - net	<u>20,350</u>	<u>29,264</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 735,546</u></u>	<u><u>\$ 724,753</u></u>

See notes to balance sheet.

**LASSUS WHERLEY & ASSOCIATES, P.C.**  
**BALANCE SHEET (CONT'D)**  
**AS OF MARCH 31,**

	<u>2009</u>	<u>2008</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Current portion of lease upgrade loan	\$ -	\$ 7,420
Accounts payable and accrued expenses	282,699	300,903
Deferred revenue	-	20,000
Current portion of Long Term Equipment Loan	9,100	11,025
Employee benefit liability	1,985	8,855
Total current liabilities	<u>293,784</u>	<u>348,203</u>
<b>LONG-TERM LIABILITIES</b>		
Accrued Lease Payments	17,000	17,000
Long Term Equipment Loan	28,729	20,487
Total long-term liabilities	<u>45,729</u>	<u>37,487</u>
<b>STOCKHOLDERS' EQUITY</b>		
Common stock, no par value, 2,500 shares authorized, 2,000 issued and outstanding	20,000	20,000
Retained earnings	376,033	319,063
Total stockholders' equity	<u>396,033</u>	<u>339,063</u>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<u><u>\$ 735,546</u></u>	<u><u>\$ 724,753</u></u>

See notes to balance sheets.

**LASSUS WHERLEY & ASSOCIATES, P.C.**  
**NOTES TO BALANCE SHEETS**  
**MARCH 31, 2009 AND 2008**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Business** – Lassus Wherley & Associates, P.C. (the "Company"), is a certified public accounting firm which specializes in fee-only financial planning and asset management in addition to tax and family office services. The Company has an office in Bonita Springs, Florida but operates primarily in the New Jersey metropolitan area.

**Organization** – The Company, which was originally chartered as a business corporation doing fee-only financial planning in 1985, reorganized as a Professional Corporation in October 1992 for the purpose of providing professional accounting services. The Company operates on a fiscal period from April 1st to March 31st.

**Use of Estimates** – The preparation of a financial statement 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 statement. Actual results could differ from those estimates.

**Cash Equivalents** – The Company considers all highly liquid debt securities with original maturities of three months or less to be cash equivalents.

**Accounts Receivable** – Accounts receivable are stated at cost less an allowance for doubtful accounts. On a periodic basis, the Company evaluates the individual collectability of its accounts receivable and provides an allowance for doubtful accounts for those accounts which the Company believes are uncollectible. Accounts are considered past due if they remain unpaid for more the 30 days. Accounts receivable are written off against the allowance account when all reasonable collection efforts have been unsuccessful.

**Deferred Revenue** – The Company's policy is to recognize revenues when the services provided to clients have been substantially completed. Cash received in advance of performing services is deferred and shown as deferred revenue.

**Property and Equipment** – Property and equipment are carried at cost. Depreciation is calculated using the straight-line method over the estimated useful life of the property.

**Intangible Assets** – Software licenses are amortized on a straight-line-basis over their estimated useful lives of three years. Goodwill is not amortized.

**Income Taxes** – The Company has elected S Corporation status for both state and federal purposes and as such does not pay taxes as an entity but instead passes through items to the stockholders. A corporate level tax is incurred in New Jersey.



**LASSUS WHERLEY & ASSOCIATES, P.C.**  
**NOTES TO BALANCE SHEETS**  
**MARCH 31, 2009 AND 2008**

**NOTE 2 – AVAILABLE-FOR-SALE SECURITIES**

The Company invests excess funds in a money market mutual fund. The fair market value of the fund equals cost at \$34,241 and \$129,001, respectively. Therefore, there is no unrealized gain or loss during the period.

**NOTE 3 – PROPERTY AND EQUIPMENT**

Property and equipment consist of the following at March 31,

	<u>2009</u>	<u>2008</u>
Lease upgrades	\$ 286,234	\$ 234,972
Office furniture and fixtures	52,863	51,974
Computer and office equipment	215,517	182,857
Capitalized leased equipment	-	32,375
	<u>554,614</u>	<u>502,178</u>
Less accumulated depreciation and amortization	(259,161)	(234,283)
Net property and equipment	<u>\$ 295,453</u>	<u>\$ 267,895</u>

All capital leases have been fully amortized.

**NOTE 4 – INTANGIBLE ASSETS**

Intangible assets consist of the following assets acquired under three-year contracts involving the acquisition of professional tax practices and software licenses. Software licenses are being amortized over their estimated useful life of three years with no estimated residual value. Goodwill is not amortized.

	<u>2009</u>	<u>2008</u>
Goodwill	\$ 1,068	\$ 1,068
Software licenses	94,372	84,385
	<u>95,440</u>	<u>85,453</u>
Less accumulated amortization	(75,090)	(56,189)
Net intangible assets	<u>\$ 20,350</u>	<u>\$ 29,264</u>

**LASSUS WHERLEY & ASSOCIATES, P.C.**  
**NOTES TO BALANCE SHEETS**  
**MARCH 31, 2009 AND 2008**

**NOTE 5 – CREDIT LINE PAYABLE**

The Company has an available line of credit of \$200,000. The interest rate is .75% over prime. Principal is due on demand. The note is secured by the assets of the Company. The loan is required to be paid down to a "0" balance for 30 consecutive days annually. The balance, including accrued interest, at both March 31, 2009 and 2008 was \$0, respectively.

**NOTE 6 – EMPLOYEE BENEFIT LIABILITY**

The company implemented a flexible spending account feature to its Section 125 Benefit Plan effective January 1, 2005. The plan allows employees to set aside specific dollar amounts pre-tax for medical expenditures. The company incurs a liability for these payments until the employee seeks reimbursement or through year end. Any amounts not utilized by the employee are forfeited and can, at the Company's election, be distributed pro rata to other participants or be used to pay expenses of the plan. The balance of the FSA liability was \$521 and \$8,855 at March 31, 2009 and 2008, respectively. In January, 2009 the company offered Health Savings accounts (HSA) administered by a third party. The company forwards employee contributions to the administrator each pay period. The HSA liability at March 31, 2009 was \$1,464.

**NOTE 7 – LOANS**

During 2006, the Company converted its credit line for its equipment and lease upgrade loan to a fixed rate loan. The loan bears interest at 6.75% and is payable in 36 monthly payments of \$1,509.56 each. The balance of the loan at March 31, 2009 and 2008 was \$0 and \$7,420, respectively. A new equipment loan in the amount of \$35,000 was arranged in November 2007 and was subsequently paid off in full in December 2008 with the proceeds from a new \$40,000 four year term loan. This loan bears interest at 7.5% and is payable in 48 monthly installments of \$969.00. The balance of the loan at March 31, 2009 was \$37,829. The loan is secured by the assets of the Company. Principal payments on the loan are as follows:

<u>March 31,</u>	<u>Amount</u>
2010	\$ 9,625
2011	10,372
2012	11,071
	<u>\$ 31,068</u>

**LASSUS WHERLEY & ASSOCIATES, P.C.**  
**NOTES TO BALANCE SHEETS**  
**MARCH 31, 2009 AND 2008**

**NOTE 8 – OPERATING LEASES**

The Company has an operating lease for office equipment which matures in fiscal 2009. Quarterly rent is \$340 through December 2008.

The Company leases its New Jersey premises. The lease matures in February 2012 and has a five-year renewal option. Rent increases are based on the cost of living index. Minimum rental payments under the terms of the lease through maturity are \$54,060 per year. The lease payment is adjusted annually for inflation and the monthly rent is \$4,505 and \$4,425 for fiscal 2009 and 2008.

The Company moved its Florida location in September 2006 and leases office space in Bonita Springs, Florida. The lease matures in September 2010. Monthly rent is \$890.

Future minimum lease payments under all non-cancelable lease obligations for the fiscal years ended March 31, are as follows:

2010	64,740
2011	58,510
2012	54,060

**NOTE 9 – CONTINGENCIES**

The Company maintains deposits at a federally insured institution. At March 31, 2009 and March 31, 2008, the balance at that institution exceeded the federally insured limit of \$250,000 by \$0 and \$0 respectively.

**LASSUS WHERLEY & ASSOCIATES, P.C.**  
**NOTES TO BALANCE SHEETS**  
**MARCH 31, 2009 AND 2008**

**NOTE 10 – STOCKHOLDERS' EQUITY (UNAUDITED)**

The following is a summary of changes in stockholders' equity:

	<u>Common Stock</u>	<u>Additional Paid in Capital</u>	<u>Retained Earnings</u>	<u>Total</u>
Balance at March 31, 2007	\$ 20,000	\$ -	\$ 276,158	\$ 296,158
Fiscal 2008 net income	-	-	57,905	57,905
Transfers	-	-	(15,000)	(15,000)
Balance at March 31, 2008	<u>20,000</u>	<u>-</u>	<u>319,063</u>	<u>339,063</u>
Fiscal 2009 net income	-	-	56,970	56,970
Withdrawals	-	-	-	-
Balance at March 31, 2009	<u><u>\$ 20,000</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 376,033</u></u>	<u><u>\$ 396,033</u></u>