

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

Applicant:	SEC File Number:	Date:
1st Discount Brokerage, Inc.	68364	12.2.2008

(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: 1st Discount Brokerage, Inc.	IRS Empl. Ident. No.: 65-0592899
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Item of Form

Answer

Item 1. A. (1)

Recommended Client Fee	Account Balance	Ticket Charge	Options
2.00% \$50,000 _ \$250,000	\$10 per trade	\$0.75	per contract
1.95% \$250,000 _ \$500,000	\$10 per trade	\$0.75	per contract
1.85% \$500,000 _ \$1,000,000	\$10 per trade	\$0.75	per contract
1.75% \$1,000,000 _ \$2,000,000	\$10 per trade	\$0.75	per contract
1.50% \$2,000,000 _ \$5,000,000	\$10 per trade	\$0.75	per contract
1.25% > \$5,000,000	\$10 per trade	\$0.75	per contract

Fee may differ for each account; account specific fees are disclosed on Exhibit A following individual client agreements.

Advisory Services. The Advisory Representative will render the following services to the Client with respect to the Freedom Account:

- The Advisory Representative will gather from the client information about the Client, including the Client's current investments, if any, to identify the Client's current financial condition, goals, financial needs, and investment objectives. The Advisory Representative will analyze this information and discuss these findings with the Client.
- The Advisory Representative will recommend investments to build a portfolio suited to the Client's identified goals, financial needs, and investment objectives in light of general economic and market conditions.
- The Advisory Representative will monitor the performance of the Client's portfolio on at least a quarterly basis in light of changing general economic and market conditions.
- The Advisory Representative will meet with the Client annually or upon the Client's reasonable request.

Fees. In consideration of the services rendered by 1DB and the Advisory Representative, the Client will pay the following fees and charges:

- Freedom Advisory Fees.** Fees payable for investment advisory services will be a percentage of the total equity value of the assets invested in the Freedom Account. The annual percentages that will be applied to the equity value of the Account on a monthly or quarterly basis are specified in Exhibit A to this Agreement. These fees are set by the Advisory Representative and are agreed to by the Client via execution of this Agreement. Ongoing advisory fees are payable to the Advisory Representative in advance. The initial account fee

will be based on the total equity in the Account at the time the Account is opened and will be due when the initial deposit is made. The subsequent fees will be based on the average equity value of investments as of the end of the preceding period. The fee for assets transferred into the Freedom Account (in excess of \$10,000) shall be pro-rated for the remaining portion of the period and will be deducted from the account at the next billing cycle. Fees shall be refunded on a pro-rated basis for partial account withdrawals in excess of \$10,000, and will be adjusted at the next billing cycle. Upon termination of the account, a refund of fees will be pro-rated, based on the number of days remaining during the billing cycle after the date of effective termination.

Item 5.

All individuals giving investment advice to clients are required to be in good standing with FINRA and have current S65 or S66 license.

Item 6.

William H. Corley, CEO

Born 1961

Received BA from Palm Beach Atlantic College and MBA from Baptist Christian University. Mr. Corley has been president of 1st Discount Brokerage since July 1995.

Yulia Kalk, Compliance Director

Born 1971

Received her BA in Business Economics from Mills College in 1995. Ms. Kalk has been a Compliance Officer for 1st Discount Brokerage since August of 2002 and Compliance Director since Sept. 2004. Prior to that she was a Compliance Officer for Acument Securities for 5 years.

Robert Kohany, ROP

Born in 1968 recieved BA in economics from the University of Connecticut in 1989. Mr. Kohany has been a member of 1DB Trading team since August of 2007 and Options Principal since November 2008. .Mr. Kohany has been a market maker since 1992 . Prior to joining 1DB he was an institutional market maker for Intercoastal Financial for 7 years.

Donald D. Phillip, Director, Fixed Income

Born 1942

Received his BS in Mathematics from Purdue University and his JD from Golden Gate University School of Law. Mr. Phillips has been Senior Vice President, Fixed Income for 1st Discount Brokerage since August 2002 and Senior Vice President, Corporate Finance/Alternative Investments for 1st Discount Brokerage since March 2004. For eight years prior to that he was Vice President, Fixed Income for Acument Securities.

J. Paul Arena, Regional Manager

Born in 1940

Received his BS in Business and minor in Accounting from Seton Hall University. Joined

Paine Webber in 1968, became Operational Manager in NY branch and later VP Divisional Manager. Joined Dean Witter as a Branch Manager with 43 brokers. Mr. Arena has been a Regional Manager for 1st Discount Brokerage since August 2002, and a Regional Managers Supervisor since Sept. 2006.

Einar Tangen, Regional Manager
Born in 1945.

Graduated from University of Buffalo in 1968 with a BA in Political Science. Was in the USAF 1968-72. Started in the brokerage business with Smith Barney in 1978. Currently a Branch Manager with an office in Davie, FL. He has been the Southeast Regional Manager for 1st Discount Brokerage since January 2006.

Kevin Obley, Regional Manager
Born in 1952

Regional Manager for 1DB since 2004 and OSJ for 1DB since August, 2002.
Prior to that was a Registered Broker and OSJ for Acument Securities since 1993.

Item 8. C. (1)

1st Discount Brokerage RIA transactions are processed through 1st Discount Brokerage, Inc, a FINRA and SEC registered broker-dealer.

Item 9. Code of Ethics

1st Discount Brokerage, Inc., Registered Investment Advisor Code of Ethics

I. INTRODUCTION

A. Fiduciary Duty. This Code of Ethics is based on the principle that all employees of the Company (1st Discount Brokerage, Inc., Registered Investment Advisor) and certain other persons have a fiduciary duty to place the interest of clients ahead of their own and the Company's. This Code of Ethics applies to all "Access Persons" (defined below). Access Persons must avoid activities, interests, and relationships that might interfere with making decisions in the best interests of the Company's Investment Advisory Clients.

For purposes of this policy, the following words shall mean:

"Access Persons" means all employees, directors, officers, partners or members of the Company, as the case may be, who (i) have access to nonpublic information regarding Clients' purchases or sales of securities, (ii) are involved in making securities transactions for Clients or (iii) have access to nonpublic recommendations or the portfolio holdings of an affiliated (investment) company. Client services personnel who regularly communicate with Advisory Clients also may be deemed to be Access Persons.

"Advisory Client" means any individual or business entity that the Company has an Investment Management Relationship with, or any fund for which the Company serves as a

general partner, or any person or entity for which it serves as investment adviser, renders investment advice or makes investment decisions.

"Code" means this policy as supplemented by other policies and procedures contained in the Company's Compliance Manual.

"Reportable Securities" means all securities in which an Access Person has a beneficial interest except: (i) U.S. Government securities, (ii) money market instruments (e.g., bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments), (iii) shares of money market funds, (iv) shares and holdings in other mutual funds unless the Company acts as the investment advisor to, or the principal underwriter of, the subject fund, and (iv) units of a unit investment trust if the UIT is invested exclusively in unaffiliated mutual funds.

As fiduciaries, all Access Persons must at all times:

1. Place the interests of Advisory Clients first. All Access Persons must scrupulously avoid serving their own personal interests ahead of the interests of the Company's Advisory Clients. Access Persons may not induce or cause an Advisory Client to take action, or not to take action, for personal benefit, rather than for the benefit of the Advisory Client. For example, a supervisor or employee would violate the policy by causing an Advisory Client to purchase a security he or she owned for the purpose of increasing the price of that security.

2. Avoid taking inappropriate advantage of their position. The receipt of investment opportunities, perquisites or gifts from persons seeking business with the Company or its Advisory Clients, could call into question the exercise of the independent judgment of an Access Person. Access Persons may not, for example, use their knowledge of portfolio transactions to profit by the market effect of such transactions.

3. Conduct all personal securities transactions in full compliance with this Code. Doubtful situations always should be resolved in favor of Advisory Clients. Technically, compliance with the Code's provisions shall not automatically insulate from scrutiny any securities transactions or actions that indicate a violation of the Company's fiduciary duties.

B. Appendices to the Code. The Code shall be supplemented by the 1st Discount Brokerage, Inc. Compliance Manual.

II. OTHER DUTIES

A. Confidentiality. Access Persons are prohibited from revealing information relating to the investment intentions, activities or portfolios of Advisory Clients except to persons whose responsibilities require knowledge of the information.

B. Gifts. The following provisions on gifts apply to Access Persons:

1. Accepting Gifts. On occasion, because of their position with the Company, Access Persons may be offered or may receive without notice, gifts from clients, brokers, vendors or other persons. Acceptance of extraordinary or extravagant gifts is prohibited. Any such gifts must be declined and returned in order to protect the reputation and integrity of the Company. Gifts of nominal value, customary business meals, entertainment (e.g., sporting events), and promotional items (i.e., pens, mugs, T-shirts) may be accepted. All gifts received by an Access Person that might violate this Code must be promptly reported to the CCO.

Yulia Kalk is the CCO (Chief Compliance Officer).

2. Solicitation of gifts. Access Persons are prohibited from soliciting gifts of any size under any circumstances.

3. Giving gifts. Access Persons may not give any gift with a value in excess of \$100 (per year) to an Advisory Client or persons who do business with, regulate, advise or render professional services to the Company.

C. Company Opportunities. Access Persons may not take personal advantage of any opportunity properly belonging to any Advisory Client or the Company. This includes, but is not limited to, acquiring Reportable Securities for one's own account that would otherwise be acquired for an Advisory Client.

D. Undue Influence. Access Persons shall not cause or attempt to cause any Advisory Client to purchase, sell or hold any security in a manner calculated to create any personal benefit to such Access Person. If an Access Person stands to materially benefit from an investment decision for an Advisory Client that the Access Person is recommending or participating in, the Access Person must disclose to those persons with authority to make investment decisions for the Advisory Client the full nature of the beneficial interest that the Access Person has in that security, any derivative security of that security or the security issuer, where the decision could create a material benefit to the Access Person or the appearance of impropriety. The person to whom the Access Person reports the interest, in consultation with the CCO, must determine whether or not the Access Person will be restricted in making investment decisions in respect of the subject security.

E. Reporting, Review and Record Keeping. All violations of the Code must be reported promptly to the CCO. The CCO shall periodically review Access Persons' personal trading reports and otherwise take reasonable steps to monitor compliance with, and enforce, this Code of Ethics. The CCO shall maintain in the Company's files (i) a current copy of the Code, (ii) records of violations and actions taken as a result of the violations.

F. Sanctions. If the CCO determines that an Access Person has committed a violation of the Code, the Company may impose sanctions and take other actions as it deems appropriate, including a letter of caution or warning, suspension of personal trading privileges, suspension or termination of employment, fine, civil referral to the SEC and, in certain cases, criminal referral. The Company may also require the offending Access Person to reverse the trades in question, forfeit any profit or absorb any loss derived therefrom; and such forfeiture shall be disposed of in a manner that shall be determined by the Company in its sole discretion. Failure to timely abide by directions to reverse a trade or forfeit profits may result in the imposition of additional sanctions.

G. Exceptions. Exceptions to the Code will rarely, if ever, be granted. However, the CCO may grant an occasional exception on a case-by-case basis when the proposed conduct involves negligible opportunities for abuse. All exceptions shall be solicited and issued in writing. No reports shall be required under this Code for (i) transactions effected pursuant to an automatic investment plan and (ii) securities held in accounts over which the Access Person has no direct control.

Item 9. A.

1st Discount engages in principal securities transactions involving fixed income products. All fixed income transactions are reviewed by the Fixed Income Dept. Manager on a daily basis to prevent any conflicts of interest involving all such trades. In addition, Compliance Dept. reviews all client accounts on a quarterly basis in an effort to detect any potential violations of the firm's policies and procedures.

Item 9. B.

1st Discount Brokerage, Inc., a registered broker-dealer, effects securities transactions for compensation for all retail clients. All trades are reviewed by Regional Managers and Compliance Dept. on a daily basis to detect potential conflicts of interest and violations of company policies.

Item 10.

Advisory Services. The Advisory Representative will render the following services to the Client with respect to the Freedom Account:

- a. The Advisory Representative will gather from the client information about the Client, including the Client's current investments, if any, to identify the Client's current financial condition, goals, financial needs, and investment objectives. The Advisory Representative will analyze this information and discuss these findings with the Client.
- b. The Advisory Representative will recommend investments to build a portfolio suited to the Client's identified goals, financial needs, and investment objectives in light of general economic and market conditions.
- c. The Advisory Representative will monitor the performance of the Client's portfolio on at least a quarterly basis in light of changing general economic and market conditions.
- d. The Advisory Representative will meet with the Client annually or upon the Client's reasonable request.

Supervisory Services. The Advisory Representative will from time to time recommend to the Client to buy, sell, or exchange investments in the Freedom Account. Freedom is a non-discretionary program, therefore the Client's prior consent will be required to make any investment decisions and to place orders to implement those decisions. The client's authorization may be verbal or in writing. Neither 1DB nor the Advisory Representative will have discretionary authority with respect to the Account. All orders for transactions for the Account will be placed through 1DB in its capacity as a broker/dealer.

The minimum balance for a Freedom Account is \$50,000.

Item 11. A.

Accounts are reviewed on a daily basis as a general supervisory review.

Exception reports are reviewed on a monthly basis. Reports are based on option trading, low-priced securities, frequent trades and commission levels.

In addition, a quarterly suitability review is conducted.

Reviewers include Regional Managers and Compliance Dept. personnel.

Item 11. B.

With the assistance of Ridge Clearing & Outsourcing Solutions, 1DB will render services to the Client with respect to the Freedom Account:

- a. 1DB will process transactions, administer the Account, and provide quarterly portfolio statements. The statements will reflect all investment positions, current market values for each investment, and the current total market value and performance of investments in the Account.
- b. 1DB will annually provide one or more statements required for tax reporting purposes with respect to income, gains, and losses realized in the Account.
- c. 1DB will provide, through Ridge Clearing & Outsourcing Solutions, monthly brokerage statements that reflect all transactions during the month, current positions and market values, and current total market value.

