

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

MarketSpace:	SEC File Number:	Date:
MarketSpace Financial, Inc.	801- 50721	12/31/2009

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

1. Full name of MarketSpace exactly as stated in Item 1A of Part I of Form ADV: MarketSpace Financial, Inc.		IRS Empl. Ident. No.: 85-0411320								
Item of Form (identify)	Answer									
Item 1.A.(1)(3) - Advisory Services and Fees	<p>Services include personal portfolio analysis and supervision, discretionary authority requested for accounts at a discount broker-dealer. Investments include equities, bonds and mutual funds and exchange traded funds ("ETF"s). Client receives monthly, quarterly, and annual statements. Portfolios are individualized and are supervised on a daily basis.</p> <p>MarketSpace Financial, Inc. ("MarketSpace") furnishes investment consulting advice on an hourly fee basis. MarketSpace also charges fees for 1) Unmanned portfolios 2) financial planning, and 3) administrative services.</p> <p>Advisory Fees are as follows:</p> <table> <tr> <td>From \$1 - \$1,000,000</td> <td>1.25%</td> </tr> <tr> <td>From \$1,000,000 - \$3,000,000</td> <td>1.00%</td> </tr> <tr> <td>From \$3,000,000 to \$5,000,000:</td> <td>.85%</td> </tr> <tr> <td>Over \$5,000,000:</td> <td>.75%</td> </tr> </table> <p>Fees are collected at the end of each quarter and are not payable in advance. Fees are prorated based on assets under management per day during the applicable quarter. These fees do not include the management fees and other expenses charged by other investment companies (e.g., mutual funds) in which client funds are invested. They also do not include brokerage commissions.</p> <p>Clients may terminate the investment advisory contract with MarketSpace at any time without penalty. Prorated fees are due on termination. Likewise clients may add or withdraw funds from managed accounts at will.</p> <p>MarketSpace Financial does not assess any performance-based fees. MarketSpace Financial has elected to vote proxies on behalf of its clients.</p>		From \$1 - \$1,000,000	1.25%	From \$1,000,000 - \$3,000,000	1.00%	From \$3,000,000 to \$5,000,000:	.85%	Over \$5,000,000:	.75%
From \$1 - \$1,000,000	1.25%									
From \$1,000,000 - \$3,000,000	1.00%									
From \$3,000,000 to \$5,000,000:	.85%									
Over \$5,000,000:	.75%									
Item 4.B.(8) - Methods of Analysis, Sources of Information, and Investment Strategies	<p>MarketSpace Financial portfolio construction and rebalancing utilizes a macro-economic prospective based on modern portfolio theory. Equities are chosen on various criteria including economic cycles, revenue growth, earnings and cash flow. MarketSpace strives to maximize yield relative to the two main risks in the fixed income market, credit risk and duration risk. Historically best returns are achieved through the use of investment grade corporate bonds with an intermediate duration. Economic growth, interest rates, default rates and relative valuations are taken into consideration in determining when we are positive or defensive on the yield curve. All decisions are made by the investment committee which meets daily.</p>									
Item 5. - Education and Business Standards	<p>Education: Must have a B.S. or B.A. Degree or appropriate investment management experience; must obtain appropriate registration as an investment advisor representative having passed or pass the Series 7 along with Series 66 or a Series 65 exam prior to rendering advisory services.</p>									

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

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Item 6. - Education and Business Background	<p>Richard H. Follingstad, Principal Date of Birth: 11/9/41 Post High School Education: University of New Mexico - BA in Accounting & Finance 1967 Business Experience:</p> <ul style="list-style-type: none"> 4/95 to Present: MarketSpace Financial, Inc. Principal 3/92 through 3/95: Kemper Securities Registered Options Principal and Registered Account Executive 3/90 through 3/92: Kemper Securities Group Branch Office Manager, Registered Options Principal, and Registered Account Executive 10/82 through 3/90: Boettcher and Co. Branch Office Manager, Registered Options Principal, and Registered Account Executive <p>John J. Oestreicher, Principal, Advisor Date of Birth: 08-01-44 Post High School Education: New Mexico State University - BA Business 1971 Business Experience:</p> <ul style="list-style-type: none"> 7/99 to Present: MarketSpace Financial, Inc. Principal, Advisor 12/96 through 7/99: Securities America, Registered Account Executive 2/75 through 12/96: Royal Alliance Associates -Registered Account Executive <p>John R. Shelton, Principal, Advisor Date of Birth: 10/04/1958 Post High School Education: University of New Mexico, BA 1982 Business Experience:</p> <ul style="list-style-type: none"> 1/24/04 MarketSpace Financial, Principal, Advisor 10/91 through 1/24/04: Smith Barney, Registered Representative 3/85 through 10/91: Rausher, Pierce, Refsnes, Registered Representative <p>Daniel Yu, Portfolio Manager Date of Birth: 7-14-1972 Post-High School Education: 1994 - BSBA (Bachelor of Science, Business Administration) – University of Richmond, VA; 2001 – Chartered Financial Analyst (CFA); 2006- Ser 6 Business Experience:</p> <ul style="list-style-type: none"> 1996-1998 – Credit Analyst, Signet Bank, Richmond, VA 1998-2000 – Credit Analyst, Markel Corporation, Glen Allen, VA 2000-Present – Portfolio Manager, Director of Research, MarketSpace Financial, Albuquerque, NM <p>Rodolfo I. Herrera, Advisor Rep Date of Birth: 03-16-66 Post High School Education: US Air Force Academy - BS Engineering 1988; NM State University - MS Industrial Engineering 1992 Business Experience:</p> <ul style="list-style-type: none"> Oct 2009-Present: MarketSpace Financial 2003-2009: Johnson & Johnson – Neuro Specialist 2000-2003: Computer Associates – Sales Associate 1994-2000: Johnson & Johnson – Account & Sales Specialist 1988-1994: U.S. Air Force – Air Force Space Research Lab, Program Manager 	

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Item of Form (identify)	Answer	
Item 8. C.(1) & (3) -Other Financial Industry Activities or Affiliations	<p>MarketSpace Financial and Charles Schwab and Co. have an agreement that Schwab Advisor Network client accounts are custodied at Charles Schwab and Co. MarketSpace Financial may direct Charles Schwab to execute trades on behalf of the Advisor Network clients whose accounts are custodied there.</p> <p>MarketSpace Financial receives client referrals from Charles Schwab & Co., Inc. ("Schwab") through MarketSpace Financial's participation in Schwab Advisor Networks ("the Service"). The Service is designed to help investors find an independent investment advisor. Schwab is a broker-dealer independent of and unaffiliated with MarketSpace Financial. Schwab does not supervise MarketSpace Financial and has no responsibility for MarketSpace Financial's management of clients' portfolios or MarketSpace Financial's other advise of services. MarketSpace Financial pays Schwab fees to receive client referrals through the Service. MarketSpace Financial's participation in the Service may raise potential conflicts of interest described below.</p> <p>MarketSpace Financial pays Schwab a Participation Fee on all referred clients' accounts that are maintained in custody at Schwab and a Non-Schwab Custody Fee on all accounts that are maintained at, or transferred to another custodian. The Participation Fee paid by MarketSpace Financial is a percentage of the value of assets in the client's account. MarketSpace Financial pays Schwab the Participation Fee for so long as the referred client's account remains in custody at Schwab. The Participation Fee is billed to MarketSpace Financial quarterly and may be increased, decreased, or waived by Schwab from time to time. The Participation Fee is paid by MarketSpace Financial and not by the client. MarketSpace Financial has agreed not to charge clients referred through the Service fees or costs greater than the fees or costs MarketSpace Financial charges clients with similar portfolios who were not referred through the Service.</p> <p>MarketSpace Financial generally pays Schwab a Non-Schwab Custody Fee if custody of a referred client's account is not maintained by, or assets in the account are transferred from Schwab. This Fee does not apply if the client was solely responsible for the decision not to maintain custody at Schwab. The Non-Schwab Custody Fee is a one-time payment equal to a percentage of the assets placed with a custodian other than Schwab. The Non-Schwab Custody Fee is higher than the Participation Fees Advisor generally would pay in a single year. Thus MarketSpace Financial will have an incentive to recommend that client accounts be held in custody at Schwab.</p> <p>The Participation and Non-Schwab Custody Fees will be based on assets in accounts of MarketSpace Financial's clients who were referred by Schwab and those referred clients' family members living in the same household. Thus, MarketSpace Financial will have incentives to encourage household members of clients referred through the Service to maintain custody of their accounts and execute transactions at Schwab and to instruct Schwab to debit MarketSpace Financial's fees directly from the accounts.</p> <p>For accounts of MarketSpace Financial's clients maintained in custody at Schwab, Schwab will not charge the client separately for custody but will receive compensation from MarketSpace Financial's clients in the form of commissions or other transaction-related compensation on securities trades executed through Schwab. Schwab also will receive a fee (generally lower than the applicable commission on trades it executes) for clearance and settlement of trades executed through broker-dealers other than Schwab. Schwab's fees for trades executed at other broker-dealers are in addition to the other broker-dealer's fees. Thus, MarketSpace Financial may have an incentive to cause trades to be executed</p>	

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Item 9. E. - Participation of Related Persons	<p>through Schwab rather than another broker-dealer. MarketSpace Financial nevertheless, acknowledges its duty to seek best execution of trades for client accounts. Trades for client accounts held in custody at Schwab may be executed through a different broker-dealer than trades for MarketSpace Financial's other clients. Thus, trades for accounts custodied at Schwab may be executed at different times and different prices than trades for other accounts that are executed at other broker-dealers.</p> <p>MarketSpace may direct trades through Wells Fargo's platform</p> <p>Related persons may place funds or retirement accounts under MarketSpace's management, and may buy, sell, or hold securities chosen by MarketSpace to a similar degree as other clients. It is required by MarketSpace that account of related persons be managed in like manner, specifically that purchases and sales be similar in size and timing to other clients, that there be no preference as to transaction time, price, or size to the benefit of the MarketSpace's related accounts, and that there be no waiver or negotiation of advisory fee. For example non-related clients with assets under management over \$1,000.00 may negotiate fees. This privilege is not granted to related persons except as described below in Items 12 and 13 regarding aggregating securities transactions. If an issue is purchased or sold for clients and MarketSpace and/or its officers or employees on the same day, either the clients and MarketSpace and/or its officers or employees shall pay or receive the same price or the client shall receive the more favorable price.</p> <p>Test Accounts. In order to determine if certain investment strategies are potentially useful for clients in real trading, related persons may purchase securities that are not held by clients in Test Accounts. The Compliance Officer approves such Test Accounts in writing. The Compliance Officer monitors these accounts, and once the testing period is over, such securities are sold.</p>	
Item 10. Conditions for Managing Accounts	<p>MarketSpace imposes a minimum dollar value of \$250,000 in assets under management for portfolio management clients.</p>	
Items 12. A. (1) (2) and (3) and (4) - Investment or Brokerage Discretion	<p>MarketSpace has no authority to add funds to client accounts or withdraw funds for such accounts without the consent of the affected client.</p> <p>MarketSpace has negotiated lower commission and transaction fees for client accounts than the usual discounted commissions and fees from Charles Schwab and Co. Additional brokerage services include availability to over 200 mutual funds with no commission or sales fee to clients, daily downloading of client account balances to MarketSpace's computer system. MarketSpace does not utilize research or products from broker-dealer other than as stated above. MarketSpace has a "trade away" (Prime Broker) arrangement with Charles Schwab & Co. to allow purchases at other brokerages. The client is charged a \$25 fee for this by the brokerage.</p> <p>Registrant may aggregate securities sales and purchase orders for a client with similar orders being made contemporaneously for other accounts managed by Registrant or with</p>	

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Item 12.B. Broker/Dealers	<p>accounts of affiliates of Registrant. In such event, the average price of all securities purchased or sold in such transactions may be determined and a client may be charged or credited, as the case may be, the average transaction price.</p> <p>Certain associated persons of MarketSpace Financial are also associated with MSF Securities Inc., a Broker/Dealer registered with the Securities and Exchange Commission, National Association of Securities Dealers, Inc. and various state regulatory bodies. In this capacity, associated persons of MSF Securities may be involved in the sale of various types of securities, including, but not limited to Investment Company Securities. MSF Securities is an Introducing Broker Dealer and will not custody any assets. The Principals spend less than 5% of their time selling securities and managing the securities business and 95% of their time providing investment advice. Execution of securities transactions at another broker/dealer may be available at a lower cost to clients. Clients are under no obligation to execute securities transactions through MSF Securities, Inc.</p>	
Item 13. B. - Other Compensation	<p>MarketSpace Financial pays Schwab a Participation Fee on all referred clients' accounts that are maintained in custody at Schwab and a Non-Schwab Custody Fee on all accounts that are maintained at, or transferred to another custodian. The Participation Fee paid by MarketSpace Financial is a percentage of the fees the client owes to MarketSpace Financial or a percentage of the value of assets in the client's account, subject to a minimum Participation Fee.</p>	

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