

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

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Name of Investment Adviser:

**Sunflower Asset Management Inc.**

Address: (Number and Street)

12351 West 96<sup>th</sup> Terrace, Suite 103

(City)

Lenexa

(State)

KS

(Zip Code)

66215

Area Code: Telephone Number:

(913) 642-1017

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

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

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

**FORM ADV****Part II - Page 2**

Applicant:

**Sunflower Asset Management Inc.**

SEC File Number:

801-

Date:

**07/20/2010****1. A. Advisory Services and Fees.** (check the applicable boxes)For each type of service provided, state the approximate % of total advisory billings from that service.  
(See instruction below.)**Applicant:**

- |                                     |     |   |               |
|-------------------------------------|-----|---|---------------|
| <input checked="" type="checkbox"/> | (1) | Provides investment supervisory services .....  | <u>97%</u>    |
| <input type="checkbox"/>            | (2) | Manages investment advisory accounts not involving investment supervisory services .....  | <u>    </u> % |
| <input checked="" type="checkbox"/> | (3) | Furnishes investment advice through consultations not included in either service described above .....  | <u>3%</u>     |
| <input type="checkbox"/>            | (4) | Issues periodicals about securities by subscription .....   | <u>    </u> % |
| <input type="checkbox"/>            | (5) | Issues special reports about securities not included in any service described above .....   | <u>    </u> % |
| <input type="checkbox"/>            | (6) | Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities ..... | <u>    </u> % |
|                                     | (7) | On more than an occasional basis, furnishes advice to clients on matters not involving securities .....   | <u>    </u> % |
| <input type="checkbox"/>            | (8) | Provides a timing service .....   | <u>    </u> % |
| <input type="checkbox"/>            | (9) | Furnishes advice about securities in any manner not described above .....   | <u>    </u> % |

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

- |           |   |     |          |
|-----------|---|-----|----------|
| <b>B.</b> | Does applicant call any of the services it checked above financial planning or some similar term? ..... | Yes | No       |
|           |   |     | <b>X</b> |

**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 type="checkbox"/> (3)            | Fixed fees (not including subscription fees) | <input type="checkbox"/> (6) | Other             |

**D.** For each checked box in A above, describe on Schedule F:

- the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee
- applicant's basic fee schedule, how fees are charged and whether its fees are negotiable
- when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

**2. Types of clients** - Applicant generally provides investment advice to: (check those that apply)

- |  |                                  |  |   |
|--|----------------------------------|--|---|
| <input checked="" type="checkbox"/> A. | Individuals                      | <input checked="" type="checkbox"/> E. | Trusts, estates, or charitable organizations                    |
| <input type="checkbox"/> B.            | Banks or thrift institutions     | <input checked="" type="checkbox"/> F. | Corporations or business entities other than those listed above |
| <input type="checkbox"/> C.            | Investment companies             | <input type="checkbox"/> G.            | Other (describe on Schedule F)                                  |
| <input checked="" type="checkbox"/> D. | Pension and profit sharing plans |  |   |

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

**FORM ADV****Part II - Page 3**

Applicant:

**Sunflower Asset Management Inc.**

SEC File Number:

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**07/02/2009****3. Types of Investments.** Applicant offers advice on the following: (check those that apply)

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

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

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

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

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

- |   |  |
|---|--|
| (1) <input checked="" type="checkbox"/> Financial newspapers and magazines    | (5) <input type="checkbox"/> Timing services   |
| (2) <input type="checkbox"/> Inspections of corporate activities              | (6) <input checked="" type="checkbox"/> Annual reports, prospectuses, filings with the<br>Securities and Exchange Commission |
| (3) <input checked="" type="checkbox"/> Research materials prepared by others | (7) <input checked="" type="checkbox"/> Company press releases   |
| (4) <input checked="" type="checkbox"/> Corporate rating services             | (8) <input checked="" type="checkbox"/> Other (explain on Schedule F)  |

## C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)

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

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

**FORM ADV****Part II - Page 4**

Applicant:

**Sunflower Asset Management Inc.**

SEC File Number:

801-

Date:

**07/02/2009****5. Education and Business Standards.**

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

Yes No  
X ☐

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

**6. Education and Business Background.**

For:

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

On Schedule F, give the:

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

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

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

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

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

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

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

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

Yes No  
☐ X

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

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

Applicant:

Sunflower Asset Management

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Date:

07/02/2009

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

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

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

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

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  
X ☐

(If yes, describe on Schedule F.)

- 11. Review of Accounts.** If applicant provides investment supervisory services, manages investment advisory accounts, or holds itself out as providing financial planning or some similarly termed services:

- A. Describe below the reviews and reviewers of the accounts. **For reviews**, include their frequency, different levels, and triggering factors. **For reviewers**, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.

Upon the initial engagement, the client's objectives are reviewed. Specific recommendations or a schedule of implementation is developed. Subsequently, accounts are reviewed individually on a monthly basis. Securities in which client funds have been placed are reviewed regularly. Joseph Kain, president, reviews client accounts. It is expected the client will not question Sunflower's professional judgment in the selection of securities. However, this does not prohibit the client from objecting to a specific securities selection, in writing, for religious or social responsibility reasons. For example, it is acceptable for a client to object to the purchase of Philip Morris because of a personal conviction against a business which engages in tobacco and alcohol consumption. It is not acceptable to object because the client disagrees with Sunflower as to the economic prospects for the company, prospects in general for the stock market, fear of higher interest rates, client beliefs that the "market is too high" or any other emotional factors. It is the sole responsibility of Sunflower to ascertain these factors.

If the client feels a particular security is unsuitable, then Sunflower Asset Management will remove it from the portfolio if notified in writing of the perceived unsuitability within thirty days of the purchase. Of course, the client has the option of terminating the professional relationship if the client feels his/her objectives are not being met.

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

Sunflower provides written performance reports to the client quarterly to coincide with billing. Sunflower also issues written comments on items held in the client's portfolio on a regular basis via our weekly commentary. Client also receives confirmations and statements directly from the third party discount broker. Weekly commentaries are e-mailed or mailed to clients. Hard copies of these e-mails are mailed to clients who do not have e-mail at the end of each month.

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Applicant:

Sunflower Asset Management Inc.

SEC File Number:

801-

Date:

07/02/2009

**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

X ☐

(2) amount of the securities to be bought or sold ? . . . . .

Yes No

X ☐

(3) broker or dealer to be used ? . . . . .

Yes No

X ☐

(4) commission rates paid? . . . . .

Yes No

X ☐

B. Does applicant or a related person suggest brokers to clients? . . . . .

Yes No

X ☐

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

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

**13. Additional Compensation.**

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

A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients? . . . . .

Yes No

X ☐

B. directly or indirectly compensates any person for client referrals? . . . . .

Yes No

X ☐

(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

☐ X

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

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

Applicant:

Sunflower Asset Management, Inc.

SEC File Number:

801-

Date:

07/20/2010

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Sunflower Asset Management, Inc.		IRS Empl. Ident.No.:
Item of Form (identify)	Answer	
1.D.	<p>Applicant provides investment supervisory services in the form of discretionary portfolio management. After a client has completed an investment questionnaire and Applicant has discussed investment guidelines, goals, and objectives with the client, Applicant will render advice based on the client's individual needs.</p> <p>For providing discretionary investment supervisory services, Applicant's fees for new clients are: assets up to \$1 Million, 100 basis points; assets over \$1 Million and up to \$5 Million, 90 basis points; assets over \$5 Million and up to 10 Million, 85 basis points; assets 10 Million and over, negotiable. Sunflower reserves the right to determine, on a case by case basis, the appropriate fee rate. Fees are paid quarterly in arrears. Applicant typically requests its clients to enter into a custodial agreement with an independent third party, usually the discount brokerage firm. The custodian also charges fees for its services. Furthermore, to the extent a client's idle cash is invested in the money market fund of the custodian, the custodian may receive a fee from the investment of such funds in the money market, which fee is not itemized on the custodian's statement.</p> <p>Applicant's fees and the custodial fees are deducted from the client's portfolios. To the extent a client has an Individual Retirement Account, 401 (k) Plan, or other tax-exempt plan, it may be disadvantageous to have these fees deducted from the plan assets instead of being paid directly by the person. These fees may be deductible expenses by the person, and when paid by a tax-exempt plan, the fees cannot be used as an offset against taxable income.</p> <p>When Applicant's fees are deducted from a client's account, Applicant sends an itemized statement to the custodian and the client. This statement itemizes the amount of the fee and the value of the assets on which the fee is based. It is up to the client to verify the accuracy of the fee calculation. Clients also receive monthly reports which show, among other things, advisory and custodial fees charged to the account.</p> <p>Applicant will debit client accounts in order to receive advisory fees. However, this arrangement will not constitute custody in that: (1) the advisory client provides a written authorization permitting the adviser's fees to be paid directly from the client's account held by an independent custodian or trustee; (2) the adviser sends to the client and the custodian or trustee a bill showing the amount of the fee and the value of the client's assets on which the fee was based; and (3) the custodian or trustee agrees to send to the client a statement, at least quarterly, indicating all amounts disbursed from the account including the amount of advisory fees paid directly to the adviser.</p> <p>Applicant also provides, upon request, general investment advice to clients in the form of consultations for a flat fee of \$100 per hour. Depending on the particular needs of the client, advice may be rendered on specific stocks, other investments and related miscellaneous business and financial topics. As appropriate, clients will be referred to other professional advisors, such as attorneys and accountants.</p> <p>Joseph Kain provides investment advice to certain clients who do not meet Sunflower's \$100,000 minimum. Hourly rates or a mutually agreed retainer fee is applied based upon the nature and extent of the investment advice required. No-load mutual funds are occasionally suggested and utilized, depending on the specific circumstances, but as a general preference are avoided because of the additional costs. Individual securities and exchange traded funds are the preferred asset for most client accounts. Additionally, advice on employer retirement plans is offered, as well as various other items the client wishes to address.</p> <p>Sunflower votes client proxies under its discretionary authority mandate. Details provided to clients</p>	

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

**Continuation Sheet for Form ADV Part II**

Applicant:	SEC File Number:	Date:
Sunflower Asset Management, Inc.	801-	<b>07/20/2010</b>

1.	Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Sunflower Asset Management, Inc.	IRS Empl. Ident.No.:
	Item of Form (identify)	Answer
		about our written proxy voting and policy procedures are available upon request.
		All investment advisory contracts may be terminated upon seven days prior written notice. Fees based upon a percentage of assets under management are then prorated for the quarterly period during which a contract is terminated.
	4.A.(5)	In formulating advice, Applicant relies extensively on professional periodicals such as Value Line, Wall Street Transcript, Barron's, Standard & Poor's, Dick Davis Digest, company annual reports, insider indicators, various Internet web sites, quality of earnings, price to earnings ratio, historic trading ranges, institutional holdings, whether the security is held by a respected fund manager, cash flow analysis, prospects for the industry, interviews with competitors on products, and ability of management. Applicant also utilizes a proprietary worksheet of items deemed necessary to properly screen suitable investment candidates.
	4.A.(8)	Internet: Multiple sites are accessed for investment research purposes.
	5.	Applicant requires standards of education and business experience similar to that of those persons presently rendering advice.
	6.	<p>The following persons render investment advice on behalf of the Applicant:</p> <p>Name: Joseph N. Kain  DOB: 7/21/52  Formal Ed. After HS: B.S. in Finance, 1974  Kansas State University, Manhattan, KS  One semester of Graduate Studies, University of Missouri, Kansas City, MO</p> <p>Business Experience: Sunflower Asset Management, Inc.  President &amp; Owner, July 1984-Present</p> <p>Bankers and Investors Corp.  Registered Representative, February 1993-August 2008</p> <p>Multi-Financial Securities Corp.  Registered Principal, May 1990-February 1993</p> <p>Titan Value Equities Corp.  Registered Principal, November 1989-May 1990</p> <p>Value Equities Corp.  Registered Principal, July 1984-November 1989</p> <p>Name: Marcus M. Kain  DOB: 4/1/1978</p> <p>Formal Ed. After HS B.S. in Finance and Accounting, 2001  Texas Christian University, Fort Worth, TX</p> <p>Business Experience: Sunflower Asset Management, Inc.</p>

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



**Schedule F of  
Form ADV**

**Continuation Sheet for Form ADV Part II**

Applicant:	SEC File Number:	Date:
Sunflower Asset Management, Inc.	801-	07/20/2010

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Sunflower Asset Management, Inc.		IRS Empl. Ident.No.:
Item of Form (identify)	Answer	
	<p>Financial Planner, January 2006-Present</p> <p>Homecomings Financial Universal Loss Mitigation Specialist, July 2003-December 2005</p> <p>Homecomings Financial Cash Accountant, July 2001-July 2003</p>	
9.E.	<p>Related persons of Applicant may buy and sell securities for their own accounts that they also recommend to clients. Transactions for clients are always effected first and based on some fairness determination by Advisor as required. If a cross trade were to be executed, a letter of disclosure will be sent to the client. The cross trade must not favor any particular client. Applicant also effects block trades where applicable.</p> <p>Sunflower will aggregate trades for clients when it deems fit. As standard procedure, Sunflower Asset Management, Inc. will allocate on a pro-rata basis; however, Sunflower Asset Management, Inc. reserves the right to utilize some other allocation approach if circumstances warrant. If a different method is utilized (rather than pro-rata), SAM will place in writing an explanation no later than one hour after the opening of the markets on the trading day following the day the order was executed.</p> <p>The purpose of aggregating trades for clients is to treat clients equally, without favoritism, and to satisfy SAM's fiduciary requirement to seek the best execution possible. Clients will receive an average share price on execution. SAM receives no compensation as a result of block trades. Block trades will take into account each individual client's investment situation. Additional written details about SAM's block trade procedures are available upon request.</p> <p>The firm has adopted a written Code of Ethics. The code sets forth standards of conduct and requires compliance with federal securities laws. Our code also addresses personal trading and requires our personnel to report their personal securities holdings and transactions to the Chief Compliance Officer of the firm. Our basic Code of Ethics is, "Treat the client exactly as we would like to be treated if the engagement was reversed." A copy of our complete Code of Ethics will be furnished upon request.</p>	
10.	<p>In order to perform investment supervisory services, Applicant typically requires a minimum account of \$100,000, but reserves the right to accept smaller investment amounts. Prospective clients falling below the minimum have the option of requesting services from SAM at an hourly fee of \$100 per hour, if mutually acceptable.</p>	
12.A. 12.B.	<p>Applicant suggests that clients use TD Ameritrade based on the reasonableness of their fee schedules, the extent of services offered and the quality of services offered. Advisor (SAM) is not affiliated with TD Ameritrade Securities. SAM believes that clients will have more clout if the buying power of SAM's accounts is domiciled at one broker dealer. SAM has a good working relationship with the personnel at TD Ameritrade.</p> <p>SAM believes this mutually rewarding relationship serves SAM's regulatory requirement to seek "best execution" for clients.</p> <p>If no decision is made to sell all holdings of a security, then employees of the firm who are also holding the security are treated exactly as the clients who hold that security.</p>	

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

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

Applicant:

Sunflower Asset Management, Inc.

SEC File Number:

801-

Date:

07/20/2010

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Sunflower Asset Management, Inc.		IRS Empl. Ident.No.:
Item of Form (identify)	Answer	
13.A.	<p>Sunflower Asset Management, Inc. participates in the TD Ameritrade program. While there is no direct linkage between the investment advice and participation in the TD Ameritrade program, economic benefits are received which would not be received if SAM did not give investment advice to clients. These benefits include receipt of duplicate client statement, access to a trading desk serving TD Ameritrade participants exclusively, access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts, ability to have investment advisory fees deducted directly from the client accounts, access (for a fee) to an electronic communication network client order entry and account information, and access to mutual funds which generally require significantly higher minimum initial investments or are generally available only to institutional investors.</p> <p>The benefits received through participation in the TD Ameritrade program do not depend upon the amount of transactions directed to TD Ameritrade.</p>	
13.B.	<p>Applicant will use services of paid solicitors.</p> <p>Currently, SAM has two paid solicitors: Richard E. Firth and Doug VonFeldt. Mr. Firth was formerly in the investment advisory business. He referred his clients to SAM and is compensated as a paid solicitor for these referrals. Clients will not pay any more than if they had come directly to SAM without the involvement of the Solicitor. Additional details are available upon request.</p> <p>Applicant's referral arrangement is in compliance with the federal regulations as set out in 17 CFR Section 275.206(4)-3 and where state law requires, each client is given a copy of the referral agreement prior to or at the time of entering into an advisory contract.</p>	

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