

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

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Name of Investment Adviser:

Potomac Investments, Inc.

Address: (Number and Street)

(City)

(State)

(Zip Code)

Area Code: Telephone Number:

600 University Street, Suite 1901**Seattle****WA****98101****(206) 622-1210**

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

Table of Contents

<u>Item Number</u>	<u>Item</u>	<u>Page</u>
1	Advisory Services and Fees	2
2	Types of Clients	2
3	Types of Investments	3
4	Methods of Analysis, Sources of Information and Investment Strategies	3
5	Education and Business Standards	4
6	Education and Business Background	4
7	Other Business Activities	4
8	Other Financial Industry Activities or Affiliations	4
9	Participation or Interest in Client Transactions	5
10	Conditions for Managing Accounts	5
11	Review of Accounts	5
12	Investment or Brokerage Discretion	6
13	Additional Compensation	6
14	Balance Sheet	6
	Continuation Sheet	Schedule F
	Balance Sheet, if required.	Schedule G
	March 2010	

(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:

Potomac Investments, Inc.

SEC File Number:

801-**56358**

Date:

March 31, 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>99%</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>1%</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> |
| <input type="checkbox"/> | (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. Does applicant call any of the services it checked above financial planning or some similar term?Yes ☒ No ☐**C.** Applicant offers investment advisory services for: (check all that apply)

- | | |
|---|--|
| <input checked="" type="checkbox"/> (1) A percentage of assets under management | <input type="checkbox"/> (4) Subscription fees |
| <input checked="" type="checkbox"/> (2) Hourly charges | <input type="checkbox"/> (5) Commissions |
| <input 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 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:

Potomac Investments, Inc.

SEC File Number:

801- **56358**

Date:

March 31, 2010**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 | I. Options contracts on: |
| <input checked="" type="checkbox"/> (3) foreign issues | <input type="checkbox"/> (1) securities |
| | <input type="checkbox"/> (2) commodities |
| <input type="checkbox"/> B. Warrants | J. Futures contracts on: |
| <input checked="" type="checkbox"/> C. Corporate debt securities | <input type="checkbox"/> (1) tangibles |
| (other than commercial paper) | <input type="checkbox"/> (2) intangibles |
| <input checked="" type="checkbox"/> D. Commercial paper | K. Interests in partnerships investing in: |
| <input checked="" type="checkbox"/> E. Certificates of deposit | <input type="checkbox"/> (1) real estate |
| <input checked="" type="checkbox"/> F. Municipal securities | <input type="checkbox"/> (2) oil and gas interests |
| | <input type="checkbox"/> (3) other (explain on Schedule F) |
| G. Investment company securities: | <input checked="" 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 type="checkbox"/> Charting | (4) <input checked="" type="checkbox"/> Cyclical |
| (2) <input checked="" type="checkbox"/> Fundamental | (5) <input 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 type="checkbox"/> Annual reports, prospectuses, filings with the Securities and Exchange Commission |
| (3) <input checked="" type="checkbox"/> Research materials prepared by others | (7) <input type="checkbox"/> Company press releases |
| (4) <input type="checkbox"/> Corporate rating services | (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)

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

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

FORM ADV**Part II - Page 4**

Applicant:

Potomac Investments, Inc.

SEC File Number:

801-**56358**

Date:

March 31, 2010**5. Education and Business Standards.**

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

Yes No
☐ ☒

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

6. Education and Business Background.

For:

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

On Schedule F, give the:

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

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

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

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

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

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

(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:

Potomac Investments, Inc.

SEC File Number:

801- 56358

Date:

March 31, 2010

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
☐ ☒

(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.

All investment supervisory accounts will be reviewed by Marcia Joslyn Sill, Joseph Perry, or William Verrill on a continuous and ongoing basis.

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

All investment supervisory accounts will receive statements sent directly from the account's Qualified Custodian no less than quarterly.

Applicant:

Potomac Investments, Inc.

SEC File Number:

801-56358

Date:

March 31, 2010

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

☒ ☐

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

Yes No

☒ ☐

(3) broker or dealer to be used ?

Yes No

☐ ☒

(4) commission rates paid?

Yes No

☐ ☒

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

Yes No

☒ ☐

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

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

☒ ☐

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

Yes No

☐ ☒

(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

☐ ☒

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:	SEC File Number:	Date:
Potomac Investments, Inc.	801- 56358	March 31, 2010

Item of Form (identify)	Answer												
Item 1	<p><u>Advisory Services and Fees</u></p> <p>Potomac Investments, Inc. (“PII”) conducts business under the registered trade name of Potomac Investments, Inc. and provides investment supervisory services that are sometimes referred to as “asset management” or “portfolio management” to clients that have specifically engaged Potomac Investments, Inc. for those services in a written agreement. In some situations Potomac Investments, Inc. assists the Client in choosing the service of a third party investment adviser to manage part or the Client’s entire investment portfolio. Potomac Investments, Inc. does not provide income or estate tax planning services.</p>												
Item 1D	<p>Potomac Investments, Inc.’s basic fee schedule for investment supervisory services is as follows:</p> <p>General Fee Schedule</p> <table><tr><td>Assets Under Management</td><td>Annual Fee</td><td>Quarterly Fee</td></tr><tr><td>\$0 to \$1,000,000</td><td>2.25%</td><td>0.5625%</td></tr><tr><td>\$1,000,000.01 to \$5,000,000</td><td>1.75%</td><td>0.4375%</td></tr><tr><td>5,000,000.01 and greater</td><td>1.00%</td><td>0.25%</td></tr></table> <p>This is the general fee schedule. The actual investment advisory fee a client pays is described in the written advisory agreement entered into between the Adviser and the Client. Fees are negotiable at the sole discretion of the Adviser. Investment advisory Clients pay advisory fees in one of two billing conventions, in advance or in arrears.</p> <p><u>Third Party Investment Advisers</u></p> <p>In some cases Potomac Investments, Inc. does not actively manage client investment accounts, but rather recommends clients use the services of one or more third party investment advisers including affiliated and unaffiliated investment advisers whose programs and investment strategies have been reviewed by the Adviser. Potomac Investments, Inc. may refer clients to or use the services of affiliated or unaffiliated investment advisers whose programs are described in their Form ADV Part II. Potomac Investments, Inc. determines which programs and/or strategies are most appropriate for each of the Adviser’s clients, based upon the client’s individual circumstances and needs and investment objectives. Certain of the investment programs offered by third party investment advisers may also be “wrap fee programs,” which are programs under which a client is charged a specified fee, not based directly upon transactions in a client’s account, for both investment advisory services and execution of client transactions. The fees of any third party adviser are distinct, separate and in addition to the fees of the Adviser. In addition, if the investment program</p>	Assets Under Management	Annual Fee	Quarterly Fee	\$0 to \$1,000,000	2.25%	0.5625%	\$1,000,000.01 to \$5,000,000	1.75%	0.4375%	5,000,000.01 and greater	1.00%	0.25%
Assets Under Management	Annual Fee	Quarterly Fee											
\$0 to \$1,000,000	2.25%	0.5625%											
\$1,000,000.01 to \$5,000,000	1.75%	0.4375%											
5,000,000.01 and greater	1.00%	0.25%											

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:

Potomac Investments, Inc.

SEC File Number:

801- 56358

Date:

March 31, 2010

Item of Form (identify)	Answer
	<p>recommended to a client is a wrap fee program, the client will also receive the Schedule H or equivalent wrap fee brochure provided by the sponsor of the program.</p> <p>All third party investment advisers used by Potomac Investments, Inc. will be licensed as investment advisers by the state of their principal office or registered investment advisers with the Securities and Exchange Commission.</p> <p>Potomac Investments, Inc. will obtain financial data from the client and will base its recommendation of specific third party investment advisers and programs on the specific financial situation, needs and investment objectives of the client. The client will have the opportunity to impose reasonable restrictions on the management of investment accounts with third party advisers, including the designation of particular securities or types of securities that should not be purchased for the account, or that should be sold if held in an account. However, the client will not have discretion to require that particular securities or types of securities be purchased for the account.</p> <p>The Adviser's Investment Advisory Representative will attempt to contact the client at least annually to review any changes in the client's financial situation, needs or investment objectives, as well as the performance of the programs managed by the third party investment adviser.</p> <p>The Adviser's recommendations for third party advisers and programs will be based on research reports and analysis of performance provided by third party advisers and publicly available research and reports regarding investment strategies and programs generally offered by a variety of third party investment advisers. The Advisory Representative will discuss the recommendations with the client.</p> <p><u>Billing in Advance</u></p> <p>Clients entering investment advisory relationships after June 15, 2007 are billed in advance, before services are performed. If the billing period does not span the normal quarterly period as in the case of a new client or a terminating services, the fee will be prorated on the number of days the account is managed in the quarterly billing period in relation to the number of days remaining in the calendar quarter. New Clients are billed at inception for the remainder of the partial quarterly billing period and quarterly thereafter.</p>

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:

Potomac Investments, Inc.

SEC File Number:

801- 56358

Date:

March 31, 2010

Item of Form (identify)	Answer
	<p><u>Billing in Arrears</u> Clients entering investment advisory agreements on or before June 15th 2007 are billed in arrears, after investment advisory services have been performed. If the billing period does not span the normal quarterly period as in the case of a new client or a terminating services, the fee will be prorated on the number of days the account is managed in the quarterly billing period.</p> <p><u>Valuation of Accounts for Billing</u> Accounts are valued for billing purposes using the valuation provided by the Qualified Account Custodian chosen by the Client.</p> <p>If a client and his or her spouse and/or children have more than one account under management, those accounts may at the sole discretion of Potomac Investments, Inc. be consolidated for fee calculation purposes. Accounts qualifying for billing consolidation must be identified and agreed to by Potomac Investments, Inc. in writing.</p> <p>The term "assets under management" for billing purposes includes the account(s) value(s) including all cash and securities as of the last business day in the calendar quarter.</p> <p>Potomac Investments, Inc. is willing to discuss alternative fee arrangements in special circumstances. There may be rare situations where fee arrangements may be negotiable at the sole discretion of the Adviser.</p> <p>Fees are payable each quarter by a payment directly deducted from the account(s) under management, unless other arrangements are made. Quarterly billing notices showing details of how fees are calculated are sent to clients. Potomac Investments, Inc. may have to sell securities and generate capital gains or losses, to produce the cash to pay a Client's advisory fee bill.</p> <p>Unless otherwise agreed, Investment Advisory Agreements are terminable at any time at the client's written request. Fees will be prorated for the partial quarterly billing period and due upon receipt by the Adviser of the termination notice for accounts billed in arrears. Clients billed in advance will have any unearned advisory fees returned to them on a prorated basis. The proration of fees is based upon the number of days the account is managed in relation to the number of days remaining in the calendar quarter. Investment Advisory Agreements are terminable by Potomac Investments, Inc. effective as of the end of any calendar quarter by sending</p>

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:

Potomac Investments, Inc.

SEC File Number:

801- 56358

Date:

March 31, 2010

Item of Form (identify)	Answer
	<p>a written notice to the address of record used by the account Custodian.</p> <p>Fees for preliminary investment advisory consultations are available to potential new clients at the rate of \$200 per hour, this amount being negotiable and payable at the time the services are rendered. In unusual circumstances, fees at the rate of \$200 per hour are also available for other advisory services. Hourly fees are agreed to in a written engagement letter between Potomac Investments, Inc. and the client.</p> <p>The above-referenced fees charged by Potomac Investments, Inc. do not include brokerage commissions and other costs related to the execution of transactions on behalf of Clients. Such costs will be paid by advisory Clients in addition to the fees discussed above. Moreover, mutual funds that are held by advisory Clients will bear their own internal transaction and execution costs, as well as directly compensate their investment managers along with internal administrative services. Some mutual funds pay 12b-1 fees, Distribution Fees, and or Shareholder Service Fees to broker-dealers that offer such mutual funds to their Clients. These charges affect the Net Asset Value of these mutual fund shares and are thus indirectly borne by mutual fund shareholders such as a Client of Potomac Investments, Inc. Some mutual fund companies have imposed a redemption fee. A redemption fee is another type of fee that some funds charge their shareholders when shares are sold or redeemed within a short period of time from the purchase of the mutual fund shares. Although a redemption fee is deducted from redemption proceeds just like a deferred sales load, it is not considered to be a sales load. Unlike a sales load, which is generally used to compensate brokers, a redemption fee is typically used to defray fund costs associated with a shareholder's redemption and is paid directly to the fund, not to a broker. The SEC generally limits redemption fees to 2%. In most cases, the Mutual Funds will use the "first-in, first-out" (FIFO) method to determine the holding period. Under this method, the date of the redemption will be compared with the earliest purchase date of shares held in the account. While it is not the general practice of the Adviser to sell client's securities in a period that would generate a redemption fee, it should be anticipated that the Adviser might do so if in its opinion the sale is in the client's best interests. Or mutual fund shares must be redeemed to pay fees from the account.</p> <p>A complete explanation of these charges is contained in the prospectus and "Statement of Additional Information" for each mutual fund. You can get a prospectus from the mutual fund company (through its website or by telephone or mail). Potomac Investments, Inc. can also provide you with a copy.</p>

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:

Potomac Investments, Inc.

SEC File Number:

801- 56358

Date:

March 31, 2010

Item of Form (identify)	Answer								
Item 3	<p><u>Types of Investments</u></p> <p>In addition to the types of investments specifically listed in Item 3 of Form ADV Part II, Potomac Investments, Inc. may but is not obligated to use Real Estate Investment Trusts or other securitized real estate investments in client portfolios.</p>								
Item 6	<p><u>Education and Business Background</u></p> <p><u>Marcia Joslyn Sill</u></p> <p><u>Born</u> in 1943</p> <p><u>Education</u> Bachelor of Arts degree from Wellesley College (1965) MBA from Seattle University (1980) Chartered Financial Analyst designation (1985)</p> <p><u>Business Background</u></p> <table border="0"> <tr> <td>2007 to Present</td> <td>Potomac Investments, Inc. (f/k/a Marcia Joslyn Sill, Inc.) Senior Vice President</td> </tr> <tr> <td>1988 to 2007</td> <td>Marcia Joslyn Sill, Inc. President</td> </tr> <tr> <td>1980 to 1988</td> <td>Seafirst Bank</td> </tr> </table> <p><u>Joseph A. Perry</u></p> <p><u>Born</u> 1971</p> <p><u>Education</u> Bachelor of Arts degree from The American University (1993)</p> <p><u>Business Background</u></p> <table border="0"> <tr> <td>2007 to Present</td> <td>Potomac Investments, Inc. (f/k/a Marcia Joslyn Sill, Inc.)</td> </tr> </table>	2007 to Present	Potomac Investments, Inc. (f/k/a Marcia Joslyn Sill, Inc.) Senior Vice President	1988 to 2007	Marcia Joslyn Sill, Inc. President	1980 to 1988	Seafirst Bank	2007 to Present	Potomac Investments, Inc. (f/k/a Marcia Joslyn Sill, Inc.)
2007 to Present	Potomac Investments, Inc. (f/k/a Marcia Joslyn Sill, Inc.) Senior Vice President								
1988 to 2007	Marcia Joslyn Sill, Inc. President								
1980 to 1988	Seafirst Bank								
2007 to Present	Potomac Investments, Inc. (f/k/a Marcia Joslyn Sill, Inc.)								

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:
Potomac Investments, Inc.	801- 56358	March 31, 2010

Item of Form (identify)	Answer
	<p>President</p> <p>2010 to Present JHS Capital Advisors, Inc. Registered Representative</p> <p>2007 to 2010 GunnAllen Financial, Inc. Registered Representative</p> <p>2002 to 2008 Potomac Investments, Inc. (a Virginia corp. that merged with Marcia Joslyn Sill, Inc. 05/2008) President</p> <p>2007 to 2007 Everbank Financial Corporation Advisor</p> <p>2003 to 2007 Wachovia Securities Financial Network, LLC Registered Representative</p> <p>2002 to 2003 Wachovia Securities Financial Network, Inc. Registered Representative</p> <p>2000 to 2002 UBS PaineWebber, Inc. Account Vice President</p> <p>1995 to 2000 Merrill Lynch Pierce Fenner & Smith, Inc. Financial Consultant</p> <p><u>William B. Verrill</u></p> <p><u>Born</u> 1979</p> <p><u>Education</u> Bachelor of Arts degree from Union College</p> <p><u>Business Background</u></p> <p>2007 to Present Potomac Investments, Inc. (f/k/a Marcia Joslyn Sill, Inc.)Assistant Vice President</p> <p>2010 to Present JHS Capital Advisors, Inc. Registered Representative</p>

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:
Potomac Investments, Inc.	801- 56358	March 31, 2010

Item of Form (identify)	Answer	
	2007 to 2010	GunnAllen Financial, Inc. Registered Representative
	2005 to 2008	Potomac Investments, Inc. (a Virginia corp. that merged with Marcia Joslyn Sill, Inc. 05/2008) Assistant Vice President
	2005 to 2007	Wachovia Securities Financial Network, LLC. Registered Representative
	2004 to 2005	Oberlin Financial Corp Registered Representative
Item 7	<p><u>Other Business Activities</u></p> <p>In addition to being an Investment Adviser Representative of Potomac Investments, Inc., Joseph Perry holds life and health insurance agent licenses in several states.</p> <p>In addition to being Investment Adviser Representatives of Potomac Investments, Inc., Joseph Perry and William Verrill are Registered Representatives of JHS Capital Advisors, Inc.. ("JHS") JHS is registered with the SEC as a broker-dealer and a member of the NASD and SIPC. JHS is registered as a SEC Registered Investment Adviser. Joseph Perry and William Verrill are employees of Potomac Investments, Inc. and offer securities through JHS Capital Advisors, Inc., member NASD/SIPC and insurance services through the Pointe Financial Group Corp.</p> <p>Marcia Joslyn Sill is an owner and member of the Board of Directors of The Washington Trustee, Ltd. The Washington Trustee, Ltd. provides corporate trustee, accounting and legal support services</p> <p>Potomac Investments, Inc. or its representatives may recommend the services of one or more of the entities described in this Item 7. If a client purchases products or services from any of these entities, organizations or individuals, the Potomac Investments, Inc. one or more Investment Adviser Representatives may be paid a sales commission or receive other economic benefit. Therefore the Investment Adviser Representatives of Potomac Investments, Inc. have a financial incentive to recommend these entities or services to the Client. This financial incentive creates a potential conflict of interest between the Client and Potomac Investments, Inc.</p>	

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:
Potomac Investments, Inc.	801- 56358	March 31, 2010

Item of Form (identify)	Answer
	<p>Clients are not obligated to use the products or services of any of the individuals or entities described in this section to implement any strategy or plan presented. Similar services are available at higher and lower cost.</p>
Item 8	<p><u>Other Financial Industry Activities or Affiliations</u></p> <p>Joseph Perry and William Verrill are Registered Representatives of JHS Capital Advisors, Inc. ("JHS") JHS is registered with the SEC as a broker-dealer and a member of the NASD and SIPC. Insurance services are also offered through Pointe Financial Group Corp. JHS is registered as a SEC Registered Investment Adviser.</p>
Item 9	<p><u>Participation or Interest in Client Transactions</u></p> <p>Individuals acting in their role as a Registered Representative of the broker-dealer JHS may execute securities transactions at the request of clients. The Registered Representative executing the transaction will receive compensation usually based upon the size of the transaction.</p> <p>If a Client uses the services of a Potomac Investments, Inc. employee to assist with the execution of securities transactions or the sale of insurance products, that employee will earn compensation based upon the size of the transaction. This financial incentive creates a potential conflict of interest between the Client and Potomac Investments, Inc. to recommend products, services or services providers not in the best interest of the Client.</p> <p>From time-to-time the interests of Potomac Investments, Inc. and its Investment Adviser Representatives may coincide with those of a client. Individual securities may be bought, held or sold by employees and Investment Adviser Representatives that are also recommended to or held by a client. If potential insider information is inadvertently provided or learned by Potomac Investments, Inc. or its employees, it is the Company's policy to strictly prohibit its use.</p> <p>It is the policy of Potomac Investments, Inc. to allow its employees to buy, sell and hold the same securities that the Company's Investment Adviser Representatives also recommend to clients. It is acknowledged and understood that Potomac Investments, Inc. performs investment services for various clients with varying investment goals and risk profiles. As such, the investment advice may differ between clients and investments made by Potomac Investments, Inc. Potomac Investments, Inc. has no obligation to recommend for purchase or sale a security that they may purchase sell or hold. Potomac Investments, Inc. has procedures dealing with insider</p>

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**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:

Potomac Investments, Inc.

SEC File Number:

801- 56358

Date:

March 31, 2010

Item of Form (identify)	Answer
	trading, "front running" and other issues that may present a potential conflict when such purchase, sales or recommendations are made. In general, these policies and procedures are intended to eliminate, to the extent possible, the adverse effect on clients of any such potential conflicts of interest. These policies are contained in the Company's Code of Ethics. It is Potomac Investments, Inc. policy to, on a best efforts basis, give clients priority. Potomac Investments, Inc. will provide a copy of its Code of Ethics to clients or prospective clients upon request.
Item 12	<p><u>Investment or Brokerage Discretion</u></p> <p>For Potomac Investments, Inc.'s clients that choose to have Potomac Investments, Inc. directly manage their investment portfolio on a discretionary basis, Potomac Investments, Inc. buys and sells securities for some of its client's accounts via a limited power of attorney granted by the client. There are no restrictions placed upon Potomac Investments, Inc. that limit which security may be purchased or sold on behalf of the client or the amount of any security purchased, sold or held in a client's account unless specifically identified in writing in the client's statement of investment policy or client service agreement.</p> <p>On occasion the custodian may be instructed to do a step out trade. There may be potentially higher or lower commissions associated with the processing of such a trade.</p> <p>Neither Potomac Investments, Inc. nor its representatives will have the authority to withdraw funds or to take custody of client funds or securities except for normal quarterly investment management fees that are authorized by the client in their written agreement with Potomac Investments, Inc.</p>
Item 12B	<p><u>Broker Dealer Recommendation</u></p> <p>Potomac Investments, Inc. may recommend a broker-dealer to the Client. The criteria for suggesting a broker-dealer include reasonableness of commissions, and other costs of trading, ability to facilitate trades, access to client records, computer trading support, and other operational considerations. These factors will be reviewed from time to time to assure the best interests of the client are upheld.</p> <p>While Clients generally select the Custodian to hold the assets in their investment advisory account, Potomac Investments, Inc. may when it is in the Client's best interest use another broker-dealer to execute securities transaction. Trading away from the Custodian may or may not cause the</p>

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**Schedule F of
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Potomac Investments, Inc.

SEC File Number:

801- 56358

Date:

March 31, 2010

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	<p>client to pay higher fees and commissions. It is normally done to access securities not available at the account Custodian.</p> <p>Joseph Perry and William Verrill are registered representatives of JHS Capital Advisors, Inc. Therefore, securities transactions are required to be done through JHS Capital Advisors, Inc. or a JHS Capital Advisors, Inc. approved custodian. As a result, the client may incur higher or lower commissions. The client is under no obligation to use JHS Capital Advisors, Inc. or a JHS Capital Advisors, Inc. approved custodian.</p>
Item 13A	<p>Potomac Investments, Inc. may recommend that clients establish brokerage accounts with a particular broker-dealer or Custodian ("Custodian"). The Custodian will maintain custody of clients' assets and to effect trades for their accounts. Some Custodians may provide Potomac Investments, Inc. with access to its institutional trading and custody services, which are typically not available to retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them so long as a minimum amount of the adviser's clients' assets is maintained in accounts at the Custodian, and are not otherwise contingent upon Potomac Investments, Inc. committing to the Custodian any specific amount of business (assets in custody or trading). The Custodian's services include brokerage, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.</p> <p>Custodians are compensated by account holders through commissions or other transaction related fees. The Custodian also makes available to Potomac Investments, Inc. other products and services that benefit Potomac Investments, Inc. but may not benefit its clients' accounts. Some of these other products and services assist Potomac Investments, Inc. in managing and administering clients' 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 Potomac Investments, Inc.'s fees from its clients' accounts; and assist with back-office functions, recordkeeping and client reporting. Many of these services generally may be used to service all or a substantial number of Potomac Investments, Inc.'s accounts, including accounts not maintained at the Custodian. The Custodian also makes available to Potomac Investments, Inc. other services intended to help Potomac Investments, Inc.</p>

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**Schedule F of
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SEC File Number:

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Date:

March 31, 2010

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	<p>manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing. In addition, the Custodian may make available, arrange and/or pay for these types of services rendered to Potomac Investments, Inc. by independent third parties. The Custodian 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 Potomac Investments, Inc. While as a fiduciary, Potomac Investments, Inc. endeavors to act in its clients' best interests, and Potomac Investments, Inc. recommendation that clients maintain their assets in accounts at the Custodian may be based in part on the benefit to Potomac Investments, Inc. of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by the Custodian, which may create a potential conflict of interest.</p> <p>As discussed in Item 6 and 7 of this disclosure, some employees are individually associated with the broker-dealer JHS, licensed as insurance agents, and an owner of a company that provides corporate trustee services. When a client executes a securities transaction, purchases an insurance product, obtains a loan or purchases corporate trustee services, one or more employees of Potomac Investments, Inc. will benefit through some form of financial compensation or benefit to their ownership interest in the entity. This financial incentive creates a potential conflict of interests between Potomac Investments, Inc., its employees and the Client. The interests of the Potomac Investments, Inc.'s employee might not be the same as those of the Client in that they will have the incentive to recommend the purchase or sale of securities, products or services not in the best interest of the Client.</p>
	END OF SCHEDULE F

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