

## Uniform Application for Investment Adviser Registration

## Part II - Page 1

OMB APPROVAL

OMB Number: 3235-0049

Expires: February 28, 2011

Estimated average burden hours per  
response . . . 4.07

Name of Investment Adviser:

**M.D. Falk & Company, Inc.**

Address: (Number and Street)

**7425 Bondsberry Court**

(City)

**Boca Raton**

(State)

**FL**

(Zip Code)

**33434**

Area Code Telephone Number

**561 477-7144**

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

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

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

**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  | <b>100</b> % |
| <input type="checkbox"/> (2) Manages investment advisory accounts not involving investment supervisory services   | _____ %      |
| <input type="checkbox"/> (3) Furnishes investment advice through consultations not included in either service described above   | _____ %      |
| <input type="checkbox"/> (4) Issues periodicals about securities by subscription  | _____ %      |
| <input type="checkbox"/> (5) Issues special reports about securities not included in any service described above  | _____ %      |
| <input type="checkbox"/> (6) Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which client may use to evaluate securities | _____ %      |
| <input type="checkbox"/> (7) On more than an occasional basis, furnishes advice to clients on matters not involving securities  | _____ %      |
| <input type="checkbox"/> (8) Provides a timing service  | _____ %      |
| <input type="checkbox"/> (9) Furnishes advice about securities in any manner not described above  | _____ %      |

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

Yes No

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

☐ ☒

C. Applicant offers investment advisory services for: (check all that apply)

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> (1) A percentage of assets under management | <input type="checkbox"/> (4) Subscription fees |
| <input 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 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 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).**

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

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

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

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

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

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

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

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

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

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

**5. Education and Business Standards.**

Yes No

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

☒ ☐

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

**6. Education and Business Background.**

For:

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

On Schedule F, give the:

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

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

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

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

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

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

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

Yes No

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

☒ ☐

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

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

**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 triggers factors. **For reviewers**, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.

Investment advisory accounts are reviewed by Martin D. Falk, the President of MDFC.

Client accounts are reviewed on a daily basis. Such reviews take into consideration asset allocation, industry mix for assets, specific holdings and selection of new investments. More frequent reviews may be triggered by news releases, world events, significant price changes and brokerage reports.

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

Reports showing account performance, a detailed statistical review of account holdings and a description of each investment are issued to clients on a quarterly basis. MDFC also attempts to meet with clients on quarterly basis to discuss the status of their accounts.

**12. Investment or Brokerage Discretion.**

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

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

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

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

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

**13. Additional Compensation.**

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

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

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

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

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

**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: <b>M.D. Falk &amp; Company, Inc.</b>	SEC File Number: 801- <b>37592</b>	Date: 07/13/2010
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Form ADV: <b>M.D. Falk &amp; Company, Inc.</b>	IRS Empl. Ident. No.: <b>11-2950857</b>
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Item of Form (identify)	Answer
1.D	<p>This brochure provides information about the qualifications and business practices of M.D. Falk &amp; Company, Inc. (hereinafter "MDFC"). Please contact, Martin Falk, President, Director and Chief Compliance Officer, if you have any questions about the contents of this brochure. The information in this brochure has not been approved or verified by the U.S. Securities and Exchange Commission or by any State securities authority.</p> <p>Additional information about MDFC is available on the Internet at <a href="http://www.adviserinfo.sec.gov">http://www.adviserinfo.sec.gov</a>. You can search this site by a unique identifying number, known as a CRD number. The CRD number for MDFC is 108288.</p> <p><b><u>ADVISORY SERVICES &amp; FEES</u></b></p> <p><b>PORTFOLIO MANAGEMENT SERVICES</b></p> <p>MDFC provides Investment Supervisory Services, defined as giving continuous advice to a client or making investments for a client based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established MDFC develops a client's personal investment policy and creates and manages a portfolio based on that policy. MDFC provides this service to individuals, pension and profit-sharing plans, trusts, estates, charitable organizations, and corporations. MDFC will manage advisory accounts on a discretionary basis. Account supervision is guided by the stated objectives of the client.</p> <p>MDFC will create a portfolio consisting of one or all of the following: individual equities, bonds, corporate debt securities, municipal securities, commercial paper, warrants, certificates of deposit, options on securities, selling stocks short, other investment products, no-load, load-waived and front-load mutual funds, and exchange traded funds. MDFC will allocate the client's assets among various investments taking into consideration the overall management style selected by the client. The mutual funds will be selected on the basis of any or all of the following criteria: the fund's performance history; the industry sector in</p>

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

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

Applicant: <b>M.D. Falk &amp; Company, Inc.</b>	SEC File Number: 801- <b>37592</b>	Date: 07/13/2010
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Form ADV: <b>M.D. Falk &amp; Company, Inc.</b>	IRS Empl. Ident. No.: <b>11-2950857</b>
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Item of Form (identify)	Answer								
	<p>which the fund invests; the track record of the fund's manager; the fund's investment objectives; the fund's management style and philosophy; and the fund's management fee structure. Portfolio weighting between funds and market sectors will be determined by each client's individual needs and circumstances. Clients will have the opportunity to place reasonable restrictions on the types of investments which will be made on the client's behalf. Clients will retain individual ownership of all securities.</p> <p><b>ADVISORY FEES</b></p> <table border="1"> <thead> <tr> <th>Aggregate Market Value of Assets Under Management</th><th>Fee Percentage</th></tr> </thead> <tbody> <tr> <td>First \$500,000</td><td>2.00%</td></tr> <tr> <td>Next \$500,001 to \$1,000,000</td><td>1.50%</td></tr> <tr> <td>Next \$1,000,001 and greater</td><td>1.00%</td></tr> </tbody> </table> <p>Fees are paid on a quarterly basis, in arrears. The schedule of fees is negotiable, particularly if the aggregate market value of assets under management is equal to or exceeds Six Million (\$6,000,000) Dollars, the Applicant may offer the client a reduced fee.</p> <p>MDFC's fee will not be adjusted up or down if a client withdraws or adds assets to the subject account during the calendar quarter of an aggregate of less than \$20,000 during such period. However, withdrawals or additions of assets of \$20,000 or more during such period will be assessed an advisory fee based upon the principal amount of the assets being withdrawn or deposited, without taking into account the appreciation or depreciation on such amount, but the fee will be adjusted based upon the number of days such assets were under management by the MDFC during the quarter.</p> <p><b>GENERAL INFORMATION ON FEES AND SERVICES</b></p> <p>Negotiability of Fees: In certain circumstances, all of MDFC's fees may be negotiable.</p>	Aggregate Market Value of Assets Under Management	Fee Percentage	First \$500,000	2.00%	Next \$500,001 to \$1,000,000	1.50%	Next \$1,000,001 and greater	1.00%
Aggregate Market Value of Assets Under Management	Fee Percentage								
First \$500,000	2.00%								
Next \$500,001 to \$1,000,000	1.50%								
Next \$1,000,001 and greater	1.00%								



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

Applicant:  <b>M.D. Falk &amp; Company, Inc.</b>	SEC File Number:  801- <b>37592</b>	Date:  07/13/2010
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Form ADV: <b>M.D. Falk &amp; Company, Inc.</b>	IRS Empl. Ident. No.: <b>11-2950857</b>
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Item of Form (identify)	Answer
	<p><b>Fee Calculation:</b> The fee charged is calculated as described above and is not charged on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of an advisory client (Section 205(a)(1) of the Investment Advisers Act of 1940).</p> <p><b>Termination of Advisory Relationship:</b> Either the client or MDFC may terminate the agreement upon thirty (30) days prior written notice to the other or at such time as otherwise mutually agreed upon in writing by MDFC and the client. Termination by either party shall not have the effect of canceling orders to deposit or invest cash, to purchase or sell securities, to effect dividend rollovers or reinvestments or to otherwise effect transactions in other property placed prior to the receipt of such notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded. The client has the right to terminate an agreement without penalty within five business days after entering into the agreement. In the event of withdrawal of funds or the termination of any account, any fees, commissions or other expenses associated with rebalancing or liquidating the account holdings may be assessed to the client's account.</p> <p><b>Mutual Fund &amp; ETF Fees:</b> All fees paid to MDFC for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in mutual funds or ETFs directly, without the services of MDFC. In that case, the client would not receive the services provided by MDFC which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and the fees charged by MDFC to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.</p> <p>Under MDFC's Investment Management Agreement, clients retain all rights against the issuers of the closed-end fund shares held in their accounts. All clients have the unfettered right to hypothecate and pledge</p>

Complete amended pages in full, circle amended items and file with execution page (page 1). PAGE 3

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

Applicant: <b>M.D. Falk &amp; Company, Inc.</b>	SEC File Number: 801- <b>37592</b>	Date: 07/13/2010
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Form ADV: <b>M.D. Falk &amp; Company, Inc.</b>	IRS Empl. Ident. No.: <b>11-2950857</b>
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Item of Form (identify)	Answer
5.	<p>the securities held in their accounts. In addition, all clients retain the right to vote as shareholders of the closed-end funds hold In their respective accounts,</p> <p>The fees charged by MDFC for managing a client's portfolio are in addition to the investment advisory and other associated fees paid to the managers of such closed-end funds out of the total assets of those funds.</p> <p>Proxy Voting: As a matter of firm policy and practice, MDFC does not accept the authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. MDFC, however, may provide advice to clients regarding the clients' voting of proxies.</p> <p><b><u>EDUCATION AND BUSINESS STANDARDS</u></b></p> <p>MDFC requires all of its employees involved in providing investment advice to have earned a college degree and have professional experience in the securities industry and investment acumen. Employees with greater responsibilities, such as those making investment decisions for clients, are required to have greater experience and investment acumen.</p>
6.	<p><b><u>EDUCATION AND BUSINESS BACKGROUND</u></b></p> <p>Martin D. Falk was born in 1935 and received a Bachelor of Science degree from New York University in 1957. Since January 1989 he has been the President, Shareholder (50% currently), Director and Chief Compliance Officer of the MDFC.</p>
9.E	<p><b><u>PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS</u></b></p> <p>Clients should be aware that orders placed for the purchase and sale of securities may also include orders for the same securities on behalf of one or more of MDFC's associated persons. In addition, clients should</p>

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

**Schedule F of  
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Applicant:  <b>M.D. Falk &amp; Company, Inc.</b>	SEC File Number:  801- <b>37592</b>	Date:  07/13/2010
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Form ADV: <b>M.D. Falk &amp; Company, Inc.</b>	IRS Empl. Ident. No.: <b>11-2950857</b>
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Item of Form (identify)	Answer
	<p>be aware that, under certain circumstances, MDFC may either buy securities for some clients and not for others.</p> <p>In order to meet its fiduciary duties to all of its clients, MDFC will allocate investment opportunities among all clients over a period of time on a fair, and equitable basis. As a general rule, shareholders, directors, officers, employees and agents of the MDFC are required to postpone all securities transactions for their own account until approval is given for such transactions by Martin Falk.</p> <p>MDFC has adopted a Code of Ethics expressing the firm's commitment to ethical conduct. MDFC's Code of Ethics describes the firm's fiduciary duties and responsibilities to clients, and sets forth MDFC's practice of supervising the personal securities transactions of supervised persons with access to client information. Individuals associated with MDFC may buy or sell securities for their personal accounts identical to or different than those recommended to clients. It is the expressed policy of MDFC that no person employed by MDFC shall prefer his or her own interest to that of an advisory client or make personal investment decisions based on the investment decisions of advisory clients.</p> <p>To supervise compliance with its Code of Ethics, MDFC requires that anyone associated with this advisory practice with access to advisory recommendations provide annual securities holdings reports and quarterly transaction reports to the firm's Chief Compliance Officer. MDFC requires such access persons to also receive approval from the Chief Compliance Officer prior to investing in any IPOs or private placements (limited offerings).</p> <p>MDFC requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices. MDFC's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. Any individual not in observance of the above may be subject to discipline.</p> <p>MDFC will provide a complete copy of its Code of Ethics to any client or prospective client upon request to the Chief Compliance Officer at MDFC's principal address.</p>

Complete amended pages in full, circle amended items and file with execution page (page 1). PAGE 5

**Schedule F of  
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Applicant:  <b>M.D. Falk &amp; Company, Inc.</b>	SEC File Number:  801- <b>37592</b>	Date:  07/13/2010
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Form ADV: <b>M.D. Falk &amp; Company, Inc.</b>	IRS Empl. Ident. No.: <b>11-2950857</b>
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Item of Form (identify)	Answer
12.A(1), 12.A(2) , 12.A(3) & 12.A(4)	<p><b><u>INVESTMENT &amp; BROKERAGE DISCRETION</u></b></p> <p>MDFC requests that it be provided with written authority to determine which securities and the amounts of securities that are bought or sold.</p> <p>Any limitations on this discretionary authority shall be included in this written authority statement. Clients may change/amend these limitations as required. Such amendments shall be submitted in writing.</p> <p>MDFC in its sole discretion, unless otherwise provided, directs the execution of all securities transactions through broker-dealer firms of its own choosing. In some instances clients may direct MDFC to place orders for execution whenever practicable with a specifically identified broker-dealer. If a client elects to direct securities transactions to a particular broker-dealer, MDFC may not be able to obtain best execution and may not have the flexibility to negotiate commissions, which may result in increased commissions for that client. Where the client has not designated a specific broker-dealer to handle his account, MDFC bases its decision as to which broker-dealer it will use to effect a particular transaction on the quality of execution, commissions charged, whether the research is provided to MDFC, as well as whether the broker-dealer is a market maker in a particular security. Commission rates paid are based on the quality of services rendered and customary charges for the transactions effected. Clients are advised that such commissions are generally greater than those charged by discount broker-dealers. Those clients who have designated their own custodian broker-dealers to effect all of their securities transactions generally will not be included in bunched order trades initiated away from such custodian broker-dealers. In addition, such clients may be paying less favorable commission rates than those clients for whom MDFC is able to negotiate lower rates with other broker-dealers.</p> <p>MDFC receives equity and fixed income research from certain broker-dealers, including written reports, access to industry analysts and securities transaction services for its clients. MDFC may therefore direct transactions to a broker-dealer who provides such useful research and securities transaction services even though a lower commission may be charged by a broker-dealer who offers no research</p>

Complete amended pages in full, circle amended items and file with execution page (page 1). PAGE 6

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

Applicant:  <b>M.D. Falk &amp; Company, Inc.</b>	SEC File Number:  801- <b>37592</b>	Date:  07/13/2010
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Form ADV: <b>M.D. Falk &amp; Company, Inc.</b>	IRS Empl. Ident. No.: <b>11-2950857</b>
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Item of Form (identify)	Answer
	<p>services and minimal securities transaction assistance. Research services may be useful in servicing all of MDFC's clients, and not all of such research may be useful for the account for which a particular transaction was effected, The types of research obtained from broker-dealers may include independent research not affiliated with a brokerage firm, subscriptions to research/Investment oriented web sites and/or desktop terminals for news and quotes.</p> <p>MDFC uses its best efforts to obtain execution of securities transactions at prices that are advantageous to the client and a reasonable competitive commission rate. In choosing broker-dealers for execution of securities transactions, MDFC considers various relevant factors, including without limitations, the size and type of the transactions, the nature and character of the market for the securities, the broker-dealer firm's financial stability, confidentiality, back office stability, trading desk capacities, referrals, custody, settlement, familiarity with derivative securities strategies and the overall value and quality of the services offered by the broker dealer firm.</p> <p>MDFC receives research, statistical and quotation services, data, information and other services and materials that assist MDFC in the performance of its investment advisory responsibilities from broker-dealer firms that execute transactions for MDFC's clients. A broker-dealer providing such research services may receive a commission that is in excess of the amount of commission another broker-dealer would have received for effecting that transaction provided MDFC determines in good faith that such commission was reasonable in relation to the value of the research and brokerage services provided by the broker-dealer. Any such research service may be broadly useful and of value to MDFC in rendering investment advice to all or a significant portion of its clients, or may be relevant and useful for the management of one client's account or only a few clients' accounts, regardless of whether such account or accounts paid commissions to the broker-dealer through which the research service was provided. MDFC will only make securities transactions that it in good faith believes are in the best interest of the client.</p> <p>MDFC may aggregate trades pursuant to formal written procedures, which generally provide that such allocation is made on a pro rata basis</p>

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Item of Form (identify)	Answer
13.A	<p>among eligible accounts. Certain exceptions may, however, be made in such allocation provided that such exceptions are to ensure that accounts are treated in a fair and equitable manner and that such allocation is consistent with MDFC's fiduciary duties and its duty of best execution.</p> <p><b><u>ADDITIONAL COMPENSATION</u></b></p> <p>MDFC may allocate brokerage on the basis of the brokers agreement to pay all or part of certain research-related expenses. MDFC intends to enter into such allocation arrangements, however, only where it determines that the commission charges are reasonable relative to the amount of expenses paid. In general, any and all brokerage allocations for MDFC will be subject to principles of best execution and the other allocation policies described above as well as any restrictions imposed by applicable law.</p> <p>In certain cases, MDFC may deem research provided by the broker-dealer to be an important consideration when executing a trade. MDFC may pay higher commissions than would be obtainable for execution by other broker-dealers where research is not obtainable in recognition of the value of the useful information provided by such brokerage firms. In paying the higher commissions, MDFC will make good faith determination that the higher commission is reasonable in relation to the value of the research and brokerage services provided viewed in the terms of either that particular transaction of MDFC's overall responsibilities with respect to the client or other clients. MDFC believes that access to independent research provided by brokers is an important resource for its research and investment processes; however, research services furnished or paid for by broker-dealers through whom MDFC effects transactions for a particular client may be used by MDFC in servicing its other clients, and not all such services may be used for the benefit of the client that pays the brokerage commission that results in the receipt of such research services.</p>