

Uniform Application for Investment Adviser Registration

OMB APPROVAL

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hours per response. . . . 4.07

Name of Investment Adviser:

AFC Asset Management Services, Inc.

Address: (Number and Street)

(City)

(State)

(Zip Code)

Area Code

Telephone Number

18310MontgomeryVillageAve#440

Gaithersburg

MD

20879

(301)

588-5000

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.

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>100</u> | % |
| <input type="checkbox"/> | (2) | Manages investment advisory accounts not involving investment supervisory services | _____ | % |
| <input checked="" type="checkbox"/> | (3) | Furnishes investment advice through consultations not included in either service described above | <u>0</u> | % |
| <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 clients 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.)

- | | | |
|----|---|--|
| B. | Does applicant call any of the services it checked above financial planning or some similar term? | Yes No |
| | | <input checked="" type="checkbox"/> <input type="checkbox"/> |

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 checked="" 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 checked="" 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).

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

- | | |
|---|---|
| <p>A. Equity securities</p> <p><input checked="" type="checkbox"/> (1) exchange-listed securities</p> <p><input checked="" type="checkbox"/> (2) securities traded over-the-counter</p> <p><input checked="" type="checkbox"/> (3) foreign issuers</p> <p><input type="checkbox"/> B. Warrants</p> <p><input checked="" type="checkbox"/> C. Corporate debt securities (other than commercial paper)</p> <p><input type="checkbox"/> D. Commercial paper</p> <p><input checked="" type="checkbox"/> E. Certificates of deposit</p> <p><input checked="" type="checkbox"/> F. Municipal securities</p> <p>G. Investment company securities:</p> <p><input checked="" type="checkbox"/> (1) variable life insurance</p> <p><input checked="" type="checkbox"/> (2) variable annuities</p> <p><input checked="" type="checkbox"/> (3) mutual fund shares</p> | <p><input checked="" type="checkbox"/> H. United States government securities</p> <p>I. Options contracts on:</p> <p><input type="checkbox"/> (1) securities</p> <p><input type="checkbox"/> (2) commodities</p> <p>J. Futures contracts on:</p> <p><input type="checkbox"/> (1) tangibles</p> <p><input type="checkbox"/> (2) intangibles</p> <p>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)

- | | |
|---|--|
| (1) <input checked="" type="checkbox"/> Charting | (4) <input 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 checked="" 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 checked="" type="checkbox"/> 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.

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 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 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.)

Applicant:

AFC Asset Management Services, Inc.

SEC File Number:

801- NA

Date:

May 26, 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
☒ ☐

(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.

Reviews performed vary according to the service provided and the complexity of the case. For Dynamic Asset Allocation (DAA) clients, all accounts are reviewed at least quarterly. All accounts are reviewed by Barry L. Cliff. It is Mr. Cliff's present intention to continue to review all accounts personally.

For financial planning service accounts, reviews are not performed at specific intervals, but rather occur when the client informs us that significant changes have taken place in their circumstances or when additional work is contracted for.

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

Regular reports are provided to Dynamic Asset Allocation clients on a quarterly basis. These reports reflect the end-of-quarter positions of all securities being managed as reported by mutual fund investment companies and/or third party custodians. Effective January 1, 2000 all individual client reports through Advent's Axys are compliant with CFA Institute GIPS regarding presentation of performance measurement and reporting.

Composite reports for clients may show both assets under our management and those not under our management and are prepared on a periodic basis following a review or when requested by the client.

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

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

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 ☒

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:
AFC Asset Management Services, Inc.

SEC File Number:
801- NA

Date:
Feb. 12, 2010

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

<p>1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: AFC Asset Management Services, Inc.</p>	<p>IRS Empl. Ident. No.: 52-1390967</p>
---	--

Item of Form (identify)	Answer								
<p>1. A. (1)</p>	<p>The Applicant offers a Dynamic Asset Allocation Service that combines some of the principles of market timing with more traditional asset management. The service is provided exclusively for open-ended mutual funds, exchange traded funds (ETFs) and variable annuity sub-accounts. The Applicant uses a proprietary methodology to indicate the level of risk relative to the potential reward in funds and sub-accounts representing a variety of equity and non-equity asset classes. The Applicant then attempts to position client assets in those investments where it deems this relationship to be most favorable based on the client's expressed risk tolerance. The Applicant does not subscribe to the common belief that fixed income investments, such as bonds, inherently bear less risk than equities. The Applicant also does not subscribe to the common belief that "short sales" are more risky than going long. Mutual funds using short sales or options may be used when, in the Advisor's opinion, it is the prudent position to take. The Applicant believes that the risk in most asset classes will vary depending on many factors, and that at any given time any asset class may have more or less risk than another.</p> <p>Fees for the Dynamic Asset Allocation Service are negotiable, but are generally based on the schedule shown below. The Applicant's Financial Advisor or associated person who is handling the client's account is paid a percentage of the fees collected by the Applicant. The Applicant may also compensate outside solicitors. The solicitor generally receives 50% of the fee, but never more than 60%.</p> <p>ASSET MANAGEMENT FEE SCHEDULE</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;"><u>Assets Under Management</u></th> <th style="text-align: left;"><u>Incremental Annual % Fee</u></th> </tr> </thead> <tbody> <tr> <td>\$ 0 - \$ 250,000</td> <td>2.00%</td> </tr> <tr> <td>\$ 250,001 - \$ 500,000</td> <td>1.50%</td> </tr> <tr> <td>\$ 500,001 - \$ and over</td> <td>1.25%</td> </tr> </tbody> </table> <p>Fees charged for DAA Services, Inc. are payable quarterly in advance. Client authorizes Applicant to deduct all applicable fees from client's account(s) where possible. An example of our invoicing procedure for the March 31, 2007 Quarterly Report for those clients whose fees are deducted: Fees are based on assets under management on March 31st. Reports were sent out April 10th stipulating that the billing period is from May 1, 2007 through July 31, 2007. The fees were deducted on April 24, 2007.</p> <p>Annual/quarterly custodial fees, and any additional termination or transfer fees charged by the independent custodian are separate from the Applicant's fees and are deducted from each account. Also, any trading or specific fees charged to Applicant due to executing any specific client request outside normal management operations will be assessed to client's account. Additionally, mutual fund companies and variable annuity companies charge their own internal management fees and expenses directly to clients' account.</p> <p>Pershing Advisor Solutions (PAS) charges \$15 per trade per account for all ETFs and some mutual funds, which will be passed along to the client. For certain mutual funds without \$15 trading fees, PAS may charge a \$50 redemption fee if the fund is held less than three months which will also be passed along to the client. While Applicant will try to avoid this fee, it may be deemed necessary by the Applicant to exit the fund as the environment warrants. PAS also receives the 12-B1 fees remitted by fund companies in exchange for providing custodial services, recordkeeping and administration to Applicant's clients.</p> <p>The annual advisory fee includes such direct costs as book keeping, account set-up and maintenance, computer monitoring of funds, sales expenses, etc.</p> <p>The agreement is terminable by the client upon giving written notification by certified or</p>	<u>Assets Under Management</u>	<u>Incremental Annual % Fee</u>	\$ 0 - \$ 250,000	2.00%	\$ 250,001 - \$ 500,000	1.50%	\$ 500,001 - \$ and over	1.25%
<u>Assets Under Management</u>	<u>Incremental Annual % Fee</u>								
\$ 0 - \$ 250,000	2.00%								
\$ 250,001 - \$ 500,000	1.50%								
\$ 500,001 - \$ and over	1.25%								

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

Applicant:
AFC Asset Management Services, Inc.

SEC File Number:
801- **NA**

Date:
Feb. 12, 2010

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

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:

AFC Asset Management Services, Inc.

IRS Empl. Ident. No.:

52-1390967

Item of Form (identify)	Answer
1. A. (3)	registered mail. The refund is prorated for all full and partial months under management. The officers and Directors of Applicant and its affiliates, as well as certain other persons may be charged less than the general public, upon approval of the President of the Applicant.
2. G.	Applicant may charge hourly fees in the amount of \$175 per hour for financial planning services and/or investment advice per Applicant's Financial Planning Agreement. These fees are payable within 30 days of Applicant completing the services and are billed at the end of each calendar month. After services are rendered by Applicant and Client pays Applicant in full, both parties have fulfilled their responsibilities under the Agreement and Client may terminate the Agreement at any time.
5.	Other Registered Investment Advisors.
	CFP, Attorney, Series 65 or 66 or qualified by experience/education.

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

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

Applicant:
AFC Asset Management Services, Inc.

SEC File Number:
801- **NA**

Date:
Feb. 12, 2010

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

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: AFC Asset Management Services, Inc.		IRS Empl. Ident. No.: 52-1390967
Item of Form (identify)	Answer	
6.	<p><u>Barry L. Cliff</u></p> <p><i>Birthdate:</i> 3/31/43</p> <p><i>Education (after high school):</i> 1968 Iowa State, Ames, IA Engineering 1964 -1966 Capital Institute of Technology, Kensington, MD A.A.S. Degree Engineering</p> <p><i>Business background:</i> 4/1985 - current AFC Asset Management Services, Inc. 18310 Montgomery Village Avenue, Suite 440, Gaithersburg, MD 20879 President, Treasurer, Chairman of Board Director, Financial Planner 6/1985 - 4/2009 Financial Network Investment Corporation 200 North Sepulveda Blvd., Suite 1300, El Segundo, CA 90245 Broker Dealer, Reg. Investment Advisor/Financial Planning Registered Principal, Registered Representative, Advisory Supervisor 5/1974 - 11/98 American Financial Consultants Inc. 8403 Colesville Rd. #810 Silver Spring, MD 20910 Holding company/Insurance President, Treasurer, Chairman of Board Director 3/1981 - 11/1997 AFC Advisory Services, Inc. 8403 Colesville Rd. #810 Silver Spring, MD 20910 Reg. Investment Advisor/Financial Planning President, Treasurer, Chairman of Board Director, Financial Planner</p>	
6. (cont.)	<p><u>James Young</u></p> <p><i>Birthdate:</i> 12/13/75</p> <p><i>Education (after high school):</i> 11/2008 PMI Certified Project Management Professional (PMP) 1994 - 1998 University of Richmond, Richmond, VA Bachelor of Science - Business Administration</p> <p><i>Business background:</i> 2/2009 - current AFC Asset Management Services, Inc. 18310 Montgomery Village Avenue, Suite 440, Gaithersburg, MD 20879 Vice President, Investment Advisor Representative 6/2008 - 10/2008 Thomson Reuters 1455 Research Boulevard, Rockville, MD Director, Integrated Development</p>	

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

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

Applicant:
AFC Asset Management Services, Inc.

SEC File Number:
801- **NA**

Date:
Feb. 12, 2010

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

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: AFC Asset Management Services, Inc.		IRS Empl. Ident. No.: 52-1390967
Item of Form (identify)	Answer	
	<p>9/2002 - 6/2008 Ebix Corporation (formerly Finetre, formerly AnnuityNet) 2350 Corporate Park Drive, Suite 600, Herndon, VA 20171 Vice President, Operations</p> <p>1998 - 2002 UBS Private Bank, UBS Paine Webber London, UK, Weehawken, NJ Associate Director, Pan European Product Development Assistant VP, Managed Accounts Project Manager</p> <p><u>Jeff Grodsky</u></p> <p><i>Birthdate:</i> 6/6/1977</p> <p><i>Education (after high school):</i> 1997-2001 University of Maryland, College Park Bachelor of Science - Robert H. Smith School of Business</p> <p><i>Business background:</i> 7/2000 - current AFC Asset Management Services, Inc. 18310 Montgomery Village Avenue, Suite 440, Gaithersburg, MD 20879 Investment Advisor Representative (since 8/2007), Operations Manager</p> <p><u>Victor George</u></p> <p><i>Birthdate:</i> 8/16/1941</p> <p><i>Education (after high school):</i> 1966 - 1968 George Washington University, Washington DC MBA</p> <p>1/1965 American Institute of Banking</p> <p>1960 - 1963 Georgetown University, Washington DC Bachelor of Arts - Economics</p> <p><i>Business background:</i> 3/2009 - current AFC Asset Management Services, Inc. 18310 Montgomery Village Avenue, Suite 440, Gaithersburg, MD 20879 Investment Advisor Representative</p> <p>4/2008 - 2/2009 Self-Employed 4350 East West Highway #1025, Bethesda, MD 20814 Consultant</p> <p>9/2007 - 4/2008 Columbo Bank 14801 Southlawn Drive, Rockville, MD 20850 Senior Vice President</p>	

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

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

Applicant:
AFC Asset Management Services, Inc.

SEC File Number:
801- **NA**

Date:
Feb. 12, 2010

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

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: AFC Asset Management Services, Inc.		IRS Empl. Ident. No.: 52-1390967
Item of Form (identify)	Answer	
	<p>4/2003 - 5/2007 Quads Trust Company 12 W. Church Street, Frederick, MD 21701 Chief Financial Officer</p> <p><u>Veska Kitna</u> <i>Birthdate: 1/25/1955</i></p> <p><i>Education (after high school):</i> 1974 - 1977 Sophia University, Sophia, Bulgaria JD Degree 1977 - 1981 Sophia University, Sophia, Bulgaria LLM Degree</p> <p><i>Business background:</i> 2/2010 - Present AFC Asset Management Services, Inc. 18310 Montgomery Village Avenue, Suite 440, Gaithersburg, MD 20879 Investment Advisor Representative 12/2007 - 9/2010 Suntrust Investment Services, Inc. 8250 Boone Blvd., Vienna, VA 22152 Financial Advisor/Investment Consultant 6/2007 - 12/2007 First Tennessee Brokerage, Inc. (First Horizon) 6200 Tyson's Blvd., McLean, VA 22102 VP, Director Wealth Management 9/2004 - 6/2007 Lincoln Financial Advisors Corporation 6293 Leesburg Pike, Vienna, VA 22182 Registered Representative/Investment Advisor Representative 9/2004 - 6/2006 Lincoln National Life Insurance Company 6293 Leesburg Pike, Vienna, VA 22182 Broker, Registered Representative</p> <p><u>Thomas Sheehy</u> <i>Birthdate: 3/27/1949</i></p> <p><i>Education (after high school):</i> 1977 - 1979 Xavier University, Cincinnati, OH Masters of Business Administration 1970 - 1971 Campbell University, Buies Creek, NC Bachelor of Business Studies 1967 - 1969 Duke University, Durham, NC</p>	

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

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

Applicant:
AFC Asset Management Services, Inc.

SEC File Number:
801- **NA**

Date:
Feb. 12, 2010

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

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:

AFC Asset Management Services, Inc.

IRS Empl. Ident. No.:

52-1390967

Item of Form (identify)	Answer
	<p><i>Business background:</i></p> <p>2/2010 - Present AFC Asset Management Services, Inc. 18310 Montgomery Village Avenue, Suite 440, Gaithersburg, MD 20879 Investment Advisor Representative</p> <p>4/2008 - 9/2009 Suntrust Investment Services, Inc. 8330 Boone Blvd., Vienna, VA 22182 Investment Consultant</p> <p>3/2006 - 4/2008 Citigroup Global Markets 1050 Connecticut Ave. NW, Washington, DC 200036 Financial Advisor</p> <p>9/1996 - 9/2005 Lexmark International 2301 Research Blvd., Rockville, MD 20850 Business Development Manager</p>

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

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

Applicant:
AFC Asset Management Services, Inc.

SEC File Number:
801- NA

Date:
Feb. 12, 2010

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

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: AFC Asset Management Services, Inc.		IRS Empl. Ident. No.: 52-1390967
Item of Form (identify)	Answer	
8. C. (3)	<u>Other Investment Advisers that are Solicitors for Applicant:</u> Erickson Advisors - Linda Erickson Forsyth Securities, Inc. - Diane Haneklau Money Management Advisory, Inc. - Edgar Mock	
9.	Applicant has adopted a Code of Ethics (Code) designed to comply with Rule 204A-1 under the Investment Advisers Act of 1940. The Code is designed to ensure that the high ethical standards long maintained by Applicant continue to be applied. The purpose of the Code is to preclude activities which may lead to or give the appearance of conflicts of interest, insider trading and other forms of prohibited or unethical business conduct. The excellent name and reputation of our firm continues to be a direct reflection of the conduct of each employee. Pursuant to Section 206 of the Advisers Act, both Applicant and its employees are prohibited from engaging in fraudulent, deceptive or manipulative conduct. Compliance with this section involves more than acting with honesty and good faith alone. It means that the Applicant has an affirmative duty of utmost good faith to act solely in the best interest of its clients. Applicant's complete Code of Ethics is available upon request for any client or prospective client.	
9. E.	Principals and related persons are permitted to buy for themselves any security recommended for a client, subject to meeting suitability requirement. This fact is disclosed to clients. These transactions are subject to review by Barry L. Cliff to ensure against possible conflict of interest and front running. Our Code of Ethics details this policy and is signed and adopted by all Investment Advisor Representatives.	
10. (1)	Applicant provides a Dynamic Asset Allocation Service described in 1. A. (1). The Applicant offers a Dynamic Asset Allocation Service that combines some of the principles of market timing with more traditional asset management. The service is provided exclusively for open-ended mutual funds, exchange traded funds (ETFs) and variable annuity sub-accounts. The Applicant uses a proprietary methodology to indicate the level of risk relative to the potential reward in funds and sub-accounts representing a variety of equity and non-equity asset classes. The Applicant then attempts to position client assets in those investments where it deems this relationship to be most favorable based on the client's expressed risk tolerance. The Applicant does not subscribe to the common belief that fixed income investments, such as bonds, inherently bear less risk than equities. The Applicant also does not subscribe to the common belief that "short sales" are more risky than going long. Mutual funds using short sales or options may be used when, in the Advisor's opinion, it is the prudent position to take. The Applicant believes that the risk in most asset classes will vary depending on many factors, and that at any given time any asset class may have more or less risk than another.	
12. A. (1), (2)	In the Dynamic Asset Allocation Service (exclusively) described in 1. A. (1) the Applicant does have discretion to determine what securities are to be bought and sold and the amounts of those transactions. Additionally, clients have the right to place certain requirements and/or restrictions regarding specific fund families or asset classes to be used/not used in their account. Any such request must be presented in writing. In cases where the Applicant feels its ability to effectively manage the account is greatly hindered by such limitations on its discretion, the Applicant may refuse to accept such accounts for management.	
12. B.	Factors considered when selecting Pershing Advisor Solutions (PAS) as our clearing firm: <u>Products, research and services</u> PAS offers all the products that we would invest in for Applicant's clients. They have thousands of mutual fund families to choose from, offer exchange traded funds and have over 100 money	

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

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

Applicant:
AFC Asset Management Services, Inc.

SEC File Number:
801- **NA**

Date:
Feb. 12, 2010

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

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: AFC Asset Management Services, Inc.		IRS Empl. Ident. No.: 52-1390967
Item of Form (identify)	Answer	
13. B.	<p>market choices for our clients' cash. They do not charge any commissions, but do have transaction fees and early redemption fees on some funds that are passed along to the client. In exchange for providing custodial services, record keeping and administration to Advisor's clients, PAS receives the 12-B1 fees remitted by fund companies.</p> <p>Applicant does not use their research functions when determining investments for our clients.</p> <p><u>Commissions</u> PAS does not charge commissions (nor does Applicant).</p> <p><u>Research</u> Applicant does not pay for nor use the research functions at PAS.</p> <p><u>Direction to broker</u> In fiscal year 2008, we moved our discretionary accounts to PAS and in turn received the products and services described above.</p> <p>From time-to-time, the Applicant will utilize solicitors to market its Dynamic Asset Allocation Service (see 1. A. (1)). These solicitors may be registered representatives of a broker/dealer through which they may receive commissions, 12B-1 fees or similar compensation and/or investment advisor representatives of a registered investment advisor. They in no way are responsible for making investment decisions within the DAA program, but will be compensated for other services with a percentage of the client's asset management fee, generally 50% - 60%. The percentage is negotiated and disclosed to the client on the Solicitor Disclosure Document which accompanies the Asset Management Contract.</p>	

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

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