

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

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Hours per response... .9.402

Name of Investment Adviser:

Ludeman Capital Management, Inc.

Address: (Number and Street)

(City)

(State)

(Zip Code)

Area Code: Telephone Number:

2115 Barkley Blvd., Suite 101**Bellingham****WA****98226****(360) 738-9600**

This part of Form ADV gives information about the investment adviser and its business for the use of clients.

The information has not been approved or verified by any governmental authority.

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

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

FORM ADV
Part II - Page 2

Applicant: Ludeman Capital Management, Inc	SEC File Number: 801-678878	Date: 09/2010
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1.	<p>A. Advisory Services and Fees. (check the applicable boxes)</p> <p>Applicant:</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> (1)</td> <td>Provides investment supervisory services</td> <td style="text-align: right;">99%</td> </tr> <tr> <td><input checked="" type="checkbox"/> (2)</td> <td>Manages investment advisory accounts not involving investment supervisory services</td> <td style="text-align: right;">0%</td> </tr> <tr> <td><input checked="" type="checkbox"/> (3)</td> <td>Furnishes investment advice through consultations not included in either service described above</td> <td style="text-align: right;">1%</td> </tr> <tr> <td><input type="checkbox"/> (4)</td> <td>Issues periodicals about securities by subscription</td> <td style="text-align: right;">%</td> </tr> <tr> <td><input type="checkbox"/> (5)</td> <td>Issues special reports about securities not included in any service described above</td> <td style="text-align: right;">%</td> </tr> <tr> <td><input type="checkbox"/> (6)</td> <td>Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities</td> <td style="text-align: right;">%</td> </tr> <tr> <td><input type="checkbox"/> (7)</td> <td>On more than an occasional basis, furnishes advice to clients on matters not involving securities</td> <td style="text-align: right;">%</td> </tr> <tr> <td><input checked="" type="checkbox"/> (8)</td> <td>Provides a timing service</td> <td style="text-align: right;">0%</td> </tr> <tr> <td><input type="checkbox"/> (9)</td> <td>Furnishes advice about securities in any manner not described above</td> <td style="text-align: right;">%</td> </tr> </table> <p>(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.)</p>	<input checked="" type="checkbox"/> (1)	Provides investment supervisory services	99%	<input checked="" type="checkbox"/> (2)	Manages investment advisory accounts not involving investment supervisory services	0%	<input checked="" type="checkbox"/> (3)	Furnishes investment advice through consultations not included in either service described above	1%	<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 checked="" type="checkbox"/> (8)	Provides a timing service	0%	<input type="checkbox"/> (9)	Furnishes advice about securities in any manner not described above	%	<p>For each type of service provided, state the approximate % of total advisory billings from that service. (See instruction below.)</p>
<input checked="" type="checkbox"/> (1)	Provides investment supervisory services	99%																											
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<p>B. Does applicant call any of the services it checked above financial planning or some similar term?</p>		<table border="0"> <tr> <td>Yes</td> <td>No</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> </table>	Yes	No	<input checked="" type="checkbox"/>	<input type="checkbox"/>																							
Yes	No																												
<input checked="" type="checkbox"/>	<input type="checkbox"/>																												
<p>C. Applicant offers investment advisory services for: (check all that apply)</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> (1) A percentage of assets under management</td> <td><input type="checkbox"/> (4) Subscription fees</td> </tr> <tr> <td><input checked="" type="checkbox"/> (2) Hourly charges</td> <td><input checked="" type="checkbox"/> (5) Commissions</td> </tr> <tr> <td><input checked="" type="checkbox"/> (3) Fixed fees (not including subscription fees)</td> <td><input checked="" type="checkbox"/> (6) Other</td> </tr> </table>			<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 checked="" type="checkbox"/> (5) Commissions	<input checked="" type="checkbox"/> (3) Fixed fees (not including subscription fees)	<input checked="" type="checkbox"/> (6) Other																					
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<p>D. For each checked box in A above, describe on Schedule F:</p> <ul style="list-style-type: none"> 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 																													
<p>2. Types of clients - Applicant generally provides investment advice to: (check those that apply)</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> A. Individuals</td> <td><input checked="" type="checkbox"/> E. Trusts, estates, or charitable organizations</td> </tr> <tr> <td><input type="checkbox"/> B. Banks or thrift institutions</td> <td><input checked="" type="checkbox"/> F. Corporations or business entities other than those listed above</td> </tr> <tr> <td><input type="checkbox"/> C. Investment companies</td> <td><input type="checkbox"/> G. Other (describe on Schedule F)</td> </tr> <tr> <td><input checked="" type="checkbox"/> D. Pension and profit sharing plans</td> <td></td> </tr> </table>			<input checked="" type="checkbox"/> A. Individuals	<input checked="" type="checkbox"/> E. Trusts, estates, or charitable organizations	<input type="checkbox"/> B. Banks or thrift institutions	<input checked="" type="checkbox"/> F. Corporations or business entities other than those listed above	<input type="checkbox"/> C. Investment companies	<input type="checkbox"/> G. Other (describe on Schedule F)	<input checked="" type="checkbox"/> D. Pension and profit sharing plans																				
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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:

Ludeman Capital Management, Inc.

SEC File Number:

801- **678878**

Date:

09/2010**3. Types of Investments.** Applicant offers advice on the following: (check those that apply)

- | | |
|--|---|
| <input checked="" type="checkbox"/> A. Equity securities | <input 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 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 type="checkbox"/> (1) tangibles |
| <input type="checkbox"/> C. Corporate debt securities
(other than commercial paper) | <input type="checkbox"/> (2) intangibles |
| <input type="checkbox"/> D. Commercial paper | K. Interests in partnerships investing in: |
| <input checked="" type="checkbox"/> E. Certificates of deposit | <input checked="" type="checkbox"/> (1) real estate |
| <input type="checkbox"/> F. Municipal securities | <input checked="" type="checkbox"/> (2) oil and gas interests |
| | <input checked="" type="checkbox"/> (3) other (explain on Schedule F) |
| G. Investment company securities: | <input type="checkbox"/> L. Other (explain on Schedule F) |
| <input checked="" type="checkbox"/> (1) variable life insurance | |
| <input checked="" type="checkbox"/> (2) variable annuities | |
| <input checked="" type="checkbox"/> (3) mutual fund shares | |

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

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

- | | |
|---|--|
| (1) <input checked="" type="checkbox"/> Charting | (4) <input checked="" type="checkbox"/> Cyclical |
| (2) <input checked="" type="checkbox"/> Fundamental | (5) <input 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 checked="" 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 checked="" type="checkbox"/> Trading (securities sold within 30 days) | (7) <input checked="" 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).

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Applicant:

Ludeman Capital Management, Inc.

SEC File Number:

801-**678878**

Date:

09/2010**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 checked="" 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:

Ludeman Capital Management, Inc.

SEC File Number:

801- 678878

Date:

09/2010

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.

Discretionary accounts are reviewed at least annually for suitability by one of our investment advisors who include Steve Ludeman, Jonathan Ludeman or Ben Scellick.

Because of their long-term nature financial plans are not reviewed by an advisor except by special request from the client.

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

Ludeman Capital Management, Inc. does not provide regular reports. Quarterly reports are prepared and sent to clients by the qualified custodian.

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Part II - Page 6

Applicant: Ludeman Capital Management, Inc.	SEC File Number: 801-678878	Date: 09/2010
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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:	SEC File Number:	Date:
Ludeman Capital Management, Inc.	801-67878	09/2010

(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: Ludeman Capital Management, Inc.	IRS Empl. Ident. No.: 91-1764946
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Item of Form (identify)	Answer																					
Item 1	<p>Ludeman Capital Management, Inc. (“LCM”) provides investment advisory services to clients in several ways including Discretionary Portfolio Management, Financial Planning, Third Party Referral Services and a Timing Service.</p> <p><u>Discretionary Portfolio Management Services</u></p> <p>LCM’s primary business activity consists of providing discretionary portfolio management services via written agreement with the Client. In these relationships the Client grants LCM the discretionary power to select, hold or change individual securities, and additionally to select or change independent third-party portfolio managers (“Sub-Advisors”) for management of any portion of the Client’s account. In the course of providing these services, stocks, bonds, mutual funds, and Exchange Traded Funds (“ETFs”) may be utilized, including leveraged and/or inverse mutual funds and ETFs. Please note that LCM does not necessarily make investment decisions to maximize tax efficiency. As required by law, the Client may place reasonable restrictions on the account with regard to security selection. LCM may charge a processing and set up fee of up to \$5000. In addition, LCM charges an annual fee, paid quarterly in advance. The fee schedule for all managed portfolios except for the LCM Bond Portfolio are according to the fee schedule shown below:</p> <table><tr><td>Assets Under Discretionary Management:</td><td>Annual Fee</td><td>Quarterly Fee</td></tr><tr><td>From \$0 to \$999,999</td><td>2.35%</td><td>0.5875%</td></tr><tr><td>Additional assets from \$1,000,000 to \$4,999,999</td><td>2.00%</td><td>0.50%</td></tr><tr><td>Additional assets from \$5,000,000 and up</td><td colspan="2">As negotiated and agreed to in the Client’s Investment Advisory Agreement</td></tr></table> <p>The fee schedule for the LCM Bond portfolio is:</p> <table><tr><td>Assets Under Discretionary Management:</td><td>Annual Fee</td><td>Quarterly Fee</td></tr><tr><td>From \$0 to \$4,999,999</td><td>1.20%</td><td>0.30%</td></tr><tr><td>Additional assets from \$5,000,000 and up</td><td colspan="2">As negotiated and agreed to in the Client’s Investment Advisory Agreement</td></tr></table> <p>Fees for Discretionary Portfolio Management Services are calculated as a percentage of the value of the Client’s account as of the closing value on the last day of the preceding billing period (calendar quarter). For any partial calendar quarter, LCM’s fee will be pro-rated based on the number of calendar days that the</p>	Assets Under Discretionary Management:	Annual Fee	Quarterly Fee	From \$0 to \$999,999	2.35%	0.5875%	Additional assets from \$1,000,000 to \$4,999,999	2.00%	0.50%	Additional assets from \$5,000,000 and up	As negotiated and agreed to in the Client’s Investment Advisory Agreement		Assets Under Discretionary Management:	Annual Fee	Quarterly Fee	From \$0 to \$4,999,999	1.20%	0.30%	Additional assets from \$5,000,000 and up	As negotiated and agreed to in the Client’s Investment Advisory Agreement	
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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:
Ludeman Capital Management, Inc.	801-67878	09/2010

(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: Ludeman Capital Management, Inc.		IRS Empl. Ident. No.: 91-1764946
Item of Form (identify)	Answer	
	<p>Client's account was open during the quarter. For client accounts initially set up in the middle of a calendar quarter, fees may be taken in arrears based on the balance of the account on the last day of the quarter in which the account was opened. In the event that the Client's account is terminated fees that were collected but yet unearned may be returned on the same pro-rated basis.</p> <p>When, in its sole discretion, LCM determines to utilize a Sub-Advisor in the management of Client accounts, LCM and Sub-Advisor negotiate a fee for services to be provided by Sub-Advisor. This fee is paid by LCM and is not charged to the Client.</p> <p>LCM may, in its sole discretion, permit securities selected and monitored by Client to be held within an account overseen by LCM. Such securities are not supervised or recommended by LCM, and as such no management fees are charged on these assets, though custodial and other fees may apply. These securities are generally identified as Non-Modeled assets on Client's custodial statement.</p> <p>Ludeman Capital Management may at its sole discretion charge an administrative fee of Fifty Dollars (\$50) for each purchase or sale of a security that is made at the direction of a client.</p> <p>LCM does not hold physical custody of securities or funds for its clients.</p> <p><u>Proxy Voting Policy</u> LCM, as a matter of policy and as a fiduciary to our clients, has responsibility for voting proxies for portfolio securities consistent with the best economic interests of the clients. Our firm maintains written policies and procedures as to the handling, research, voting and reporting of proxy voting and makes appropriate disclosures about our firm's proxy policies and practices. Our policy and practice includes the responsibility to monitor corporate actions, receive and vote client proxies and disclose any potential conflicts of interest as well as making information available to clients about the voting of proxies for their portfolio securities and maintaining relevant and required records. A copy of this Proxy Voting Policy and how the firm voted the proxy can be requested at any time.</p> <p><u>Best Execution</u> As an investment advisory firm, LCM has a fiduciary and fundamental duty to seek best execution for client transactions. LCM, as a matter of policy and practice, seeks to obtain best execution for client transactions, i.e., seeking to obtain not necessarily the lowest commission but the best overall qualitative execution in the particular circumstances.</p> <p>LCM seeks the best execution and the best combination of price and commission rate in effecting security transactions. LCM does not use the research services of</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:
Ludeman Capital Management, Inc.	801-67878	09/2010

(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: Ludeman Capital Management, Inc.	IRS Empl. Ident. No.: 91-1764946
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Item of Form (identify)	Answer
	<p>any brokerage firm for discretionary portfolio services; thus the value of research services is not a consideration in the selection of brokers.</p> <p><u>Financial Planning Services</u></p> <p>Financial planning consultations may be provided to interested clients. Financial planning services may be billed at an hourly rate not to exceed \$500 per hour or on a fixed-fee basis. Fixed fees range from \$500 to \$20,000, as agreed upon in advance, in writing, depending upon the degree of planning desired and the estimate of hours for service. The fee is payable upon signing the agreement.</p> <p>By definition, financial plans represent forward-looking projections based upon a client's assumed rates of return and investment timeline. There is no stated or implied guarantee that any of the projections or desired objectives in the financial plan will be met. Each client should review their plan periodically.</p> <p>All reports, projections, and analyses are intended exclusively for the clients' use in developing their financial plan and should not be considered complete financial statements. The financial plans provided to some clients do not address all potential aspects of financial planning. Typically our plans address retirement planning and income distribution.</p> <p>The client may cancel the financial planning service agreement for any reason during the first 90 days from the date of signing the agreement and will receive a 100% refund of all hourly and/or project fees paid. To cancel the agreement, the client must notify the adviser and return any materials received to that date.</p> <p>The financial planning engagement is complete and terminates upon delivery of the financial plan to the client.</p> <p>The client is not obligated to follow the Firm's recommendations or to pursue the recommendations through LCM. Implementation of the financial plan is solely the client's responsibility.</p> <p><u>Third Party Referral Services</u></p> <p>In the case of a Third Party Referral, LCM does not actively manage client investment accounts on a day-to-day basis, but rather refers clients to one or more third party investment advisers including affiliated and unaffiliated investment advisors whose programs and investment strategies have been reviewed by LCM. LCM maintains an approved list of third party investment advisers offering a variety</p>

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**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:	SEC File Number:	Date:
Ludeman Capital Management, Inc.	801-67878	09/2010

(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: Ludeman Capital Management, Inc.	IRS Empl. Ident. No.: 91-1764946
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	<p>of investment programs and strategies. LCM determines which programs and strategies are most appropriate for each of LCM'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. All third party investment advisers to whom LCM will refer clients will be licensed as investment advisers by the state of their primary operations or registered investment advisers with the Securities and Exchange Commission.</p> <p>In third party referral programs LCM will be compensated by a cash payment from the third party manager to whom LCM refers each of its clients. LCM's fee will be paid by the third party adviser and normally based upon the fee paid by the client to the third party adviser. LCM may allow all or a portion of its fees to the LCM Advisory Representative responsible for the client. In all cases the client will be advised of all fees to be paid to the third party adviser and to LCM.</p> <p>Full disclosure, including services rendered and fee schedules, will be provided to the client at the time of the solicitation by delivering a copy of the relevant third party adviser's Form ADV Part II or equivalent disclosure document at the same time as the Form ADV Part II or equivalent disclosure document of LCM.</p> <p>In addition, if the investment program 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. LCM will provide to each client all appropriate disclosure statements, including disclosure of solicitation fees to LCM and its Advisory Representatives as required by Securities and Exchange Commission Rule 206 (4)-3.</p> <p>In the case of Third Party Referral Programs LCM does not actively manage client investment accounts or recommend particular securities or other investments to clients. These activities are performed by the third party advisers to whom LCM refers its clients, to the extent provided by the programs offered by the relevant third party adviser. Further information concerning these activities is contained in the disclosure statements and information provided to the client concerning the third party adviser.</p> <p>LCM 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.</p> <p>An Advisory Representative of LCM will be available for the client's consultation during normal business hours.</p>

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	<p>LCM'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>Fees paid by clients to independent third party advisers are established and payable in accordance with the Form ADV Part II or other equivalent disclosure provided by each independent third party adviser to whom LCM refers its clients, and may or may not be negotiable, as disclosed in the disclosure documents of the third party adviser. In the case of wrap programs the fee charged by LCM is negotiable while the portion charged by the wrap program is not.</p> <p>In addition to the fees charged by third party investment advisers, clients may be charged transaction charges by securities broker-dealers that may or may not be affiliates of LCM or the third party adviser or of an Advisory Representative of LCM. However, in any situation in which an affiliated securities broker-dealer is involved, neither LCM nor its Advisory Representatives will participate in the transaction with advisory assets of a client unless the affiliation and amount of the fee has been previously disclosed to and approved by the client. It is possible that a securities broker-dealer or custodian selected by a third party adviser may be coincidentally a broker-dealer with whom one or more Advisory Representatives of LCM or its affiliates are associated.</p> <p>Advisory Representatives of LCM may maintain relationships with other unaffiliated financial entities, such as securities broker-dealers or insurance companies, through which they may provide other financial products or advice. LCM provides only those advisory services specified in this Form ADV Part II. LCM only provides advisory services for those assets of a client specifically subject to an advisory contract with LCM.</p> <p>All fees paid to Third Party Referral advisors, Sub-Advisors or LCM for investment advisory services are separate and distinct and in addition to the fees and expenses charged by mutual funds to their shareholders and annuity products to their owners. These fees and expenses are described in each fund or annuity's prospectus. These fees will generally include a management fee, other fund and or annuity expenses, and, possible distribution fee. If the fund or annuity also imposes sales charges, a client may pay an initial or deferred sales charge. The client should review both the fees charged by the fund or annuity, the fees charged by the third party advisor and the fees charged by LCM 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>In circumstances where the client chooses to invest in a variable annuity product,</p>

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	<p>hold the investment with the insurance company as the custodian and hire a third party advisor to allocate the sub-accounts, LCM will receive a portion of the third party advisors fee and investment advisor representative in their capacity as a registered representative of a broker/dealer could receive a commission and or a trailing commission on the variable annuity investment. The potential of this financial incentive could create a possible conflict of interest between the client and LCM.</p> <p><u>Timing Service</u> LCM provides an investment timing signal to a third-party investment advisor for a fee. The timing signal provided may be the same signal used in client discretionary management accounts at LCM.</p>
Item 3(K)(3)	<p><u>Investment Partnerships</u></p> <p>When appropriate to a client's specific situation and risk tolerance LCM may recommend investment in a partnership that could invest in futures, options or other investable assets.</p>
Item 4(C)(7)	<p><u>Investment Strategies</u></p> <p>LCM'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>
Item 5	<p><u>Education and Business Standards</u></p> <p>Ludeman Capital Management, Inc. requires all investment advisor representatives to have passed the Series 65 or 66 examination administered by FINRA (formerly the NASD).</p>
Item 6	<p><u>Education and Business Background</u></p> <p><i>Investment advice is determined and supervised by the following individuals:</i></p> <p>Stephen Paul Ludeman – Chief Investment Officer, Chief Executive Officer DOB 1954 Bachelor of Psychology, 1977 Seattle Pacific University, Seattle, WA</p>

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	<p>Masters of International Business Management, 1989 American Graduate School of International Management, Investment Advisor, 1995 to Present Member of the Singapore International Monetary Exchange, 1993 - 1994 Marketing Specialist for Veit GmbH throughout Asia, 1990 - 1993 Dain Bosworth, 1984 - 1989 Shearson American Express, 1982 - 1984 Foster & Marshall, 1981 - 1982</p> <p>Benjamin Micah Scellick - President DOB 1978 Bachelor of Arts – Accounting, 2002 Bachelor of Arts – Finance, 2002 Western Washington University, Bellingham, WA Registered Representative, 2004 - Present</p> <p>Jonathan Paul Ludeman DOB 1981 Bachelor of Arts – Business & Economics, 2004 Wheaton College, Chicago, IL Registered Representative, 2005 – Present</p>	
Item 7 (A) (B)	<p><u>Other Business Activities</u></p> <p>Representatives also are involved in selling a full range of investment products on a commission basis outside LCM as registered representatives of Pacific West Securities, Inc. This activity represents approximately 30% of their time.</p> <p>Representatives are also involved in selling insurance products on a commission basis as appointed agents of various insurance agencies.</p>	
Item 8 (C) (C)(1) (C)(3)	<p><u>Financial Industry Activities or Affiliations</u></p> <p>An investment advisor of LCM may also be a registered representative of Pacific West Securities, Inc. a security Broker/Dealer based in Renton Washington. As a registered representative of Pacific West Securities he receives a percentage of commissions charged by Pacific West Securities on securities transactions that he completes through Pacific West Securities. This financial incentive creates a potential conflict of interest between LCM the registered representative and the client.</p> <p>Ludeman Capital Management provides as one of its services, the analysis of a</p>	

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	<p>client's financial situation, goals and risk tolerance, discretionary management of client accounts and referral to a third party money manager to provide day-to-day investment supervisory services.</p> <p>The third party referral investment advisors and sub-advisors that Ludeman Capital Management has selected as possible portfolio managers each have individual, separate and distinct styles, techniques and investment methodologies. Each of the managers that Ludeman Capital Management considers provides various services that are discussed in detail in that manager's disclosure brochure (ADV Part II). Ludeman Capital Management provides the client with a copy of the third party manager's disclosure brochure (ADV Part II) at the time a referral to a third party manager is made or at the time a sub-advisor's portfolio is invested in.</p> <p>LCM pays the investment advisory fees of the third party manager it chooses to manage a portion of the client's portfolio. The third party managers charge LCM for their services, and each third party manager may charge a different rate for their services. LCM therefore has a financial incentive to choose one advisor over another due to its cost to LCM.</p> <p>LCM also has an agreement with a third-party investment advisor to provide a timing signal for a fee to them for use in their client accounts.</p> <p>(C)(5) LCM owns part of a company that is registered as a commodity trading advisor.</p> <p>(C)(9) Representatives of LCM may be appointed agents with several different insurance companies. As an agent of these insurance companies they receive a percentage of commissions charged by the insurance companies on insurance contracts that they write. This financial incentive creates a potential conflict of interest between LCM the registered representative and the client.</p>
Item 9	<p><u>Participation or Interest in Client Transaction.</u></p> <p>Ludeman Capital Management, Inc.'s Investment Advisor Representatives may from time-to-time effect securities transactions acting as a Registered Representative of a Broker/Dealer, Pacific West Securities, for clients of Ludeman Capital Management, Inc. Securities transactions of Registered Representatives are reviewed on a daily basis to assure the best interests of the client are held foremost.</p> <p>From time-to-time the interests of the Members of Ludeman Capital Management, Inc. and employees may coincide with those of a client. Individual stock may be bought, held or sold by a principal or employee of Ludeman Capital Management, Inc. that is also recommended to or held by a client. If potential insider information</p>

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	<p>is inadvertently provided or learned by a principal or employee, it is the policy of Ludeman Capital Management, Inc. to strictly prohibit its use.</p> <p>It is the policy of Ludeman Capital Management, Inc. to permit the firm, its employees and IARs to buy, sell and hold the same securities that the IAR also recommend to clients. It is acknowledged and understood that Ludeman Capital Management, 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 Ludeman Capital Management, Inc. IARs. Ludeman Capital Management, Inc. has no obligation to recommend for purchase or sale a security that Ludeman Capital Management, Inc., its Members, principals, affiliates, employees or IARs may purchase sell or hold. When a decision to liquidate a security from all applicable accounts, priority would always be given to the client's orders before those of a related or associated person to the advisor. Ludeman Capital Management, Inc. has procedures dealing with insider trading, employee related accounts, "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. Ludeman Capital Management has implemented a Code of Ethics that addresses many of the potential conflicts of interest in the industry and will provide a copy to any client or prospective client upon their request.</p>
Item 12 (A)	<p><u>Investment or Brokerage Discretion</u></p> <p>Clients that enter into Discretionary Portfolio Management Services grant a Limited Power of Attorney to LCM. Under this Limited Power of Attorney LCM may purchase, sell or hold any security in the clients account without restriction on the specific security, type of security or amount without prior consultation or approval by the client. Clients may impose reasonable restrictions on the securities purchased, sold or held in their account(s) by notifying LCM in writing.</p>
Item 12 (B)	<p><u>Investment and Brokerage Discretion</u></p> <p>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 the Advisor normally will recommend a particular custodian or broker-dealer it does not have the discretionary authority to determine the broker dealer to be used or the commission rates to be paid. Clients must direct the Advisor as to the broker dealer to be used.</p>

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	<p><u>Directed Brokerage</u></p> <p>If a client directs the Advisor to execute securities transaction at a broker other than one the Advisor uses for its other clients the client will forgo any benefit from savings on execution costs that the advisor may have obtained through its negotiation of volume discounts or batched orders. In directing the use of a particular broker or dealer, it should be understood that the Advisor will not have authority to negotiate commissions or obtain volume discounts, and best execution may not be achieved. The client may incur higher commissions, other transactions costs or greater spreads, or receive less favorable net prices, on transaction for his or her account than would otherwise be the case had the client determined to effect transactions through alternative brokerage relationships generally available through the advisor.</p>	
Item 13 (A)	<p><u>Additional Compensation</u></p> <p>As compensation for its advisory referral services, LCM receives a portion of the advisory fee paid by clients to third party advisers to whom LCM refers client accounts. LCM has entered into contracts with various unaffiliated advisors performing portfolio management. Full disclosure, either Form ADV Part II or its equivalent, will be given to the client at the time of solicitation in accordance with Rule 206 (4)-3.</p> <p>Because LCM and/or IARs receive compensation from these investment advisors for referring clients and because such compensation may differ depending on the individual agreement with each investment advisor, LCM may have a financial incentive to recommend one of these Third Party referral investment advisors over another.</p> <p>Individual Investment Advisor Representatives of Ludeman Capital Management, Inc. in their individual capacity as a Registered Representative of the Financial Industry Regulatory Authority (FINRA) Broker/Dealer Pacific West Securities, Inc. and entities affiliated through common ownership may receive commissions from the purchase or sale of securities and trailing commissions (12B-1) from client accounts holding certain mutual funds or variable annuities.</p>	
	END OF SCHEDULE F	
	<p style="text-align: center;">NOTICE OF PRIVACY POLICY</p> <p style="text-align: center;">NOTICE OF PRIVACY POLICY</p> <p>YOUR PRIVACY</p>	

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	<p>Ludeman Capital Management understands that your trust in us is our most important asset. To preserve that trust, we want you to understand our commitment to protecting your privacy as described in our privacy policy.</p> <p><u>Information we collect about you to conduct our business</u></p> <p>We collect nonpublic personal information about you to serve your investment needs, conduct our professional money management business, provide you with customer service, and fulfill our legal and regulatory requirements. "Nonpublic personal information" is nonpublic information about you that is personally identifiable and that we obtain in connection with providing you investment products and services. The types of information we collect include the following:</p> <p>⇒ Information on your applications or other forms (such as your name, Social Security Number, address, telephone number) and information collected from verbal and e-mail communications.</p> <p>⇒ Information about your transactions with us</p> <p><u>Information we disclose about you</u></p> <p>We disclose nonpublic personal information about our customers or former customers only as permitted by law. For example, we may disclose information about you in response to a subpoena, to prevent fraud, or to comply with an inquiry by a government agency such the SEC, FINRA or state regulator. We do not sell your nonpublic personal information to anyone.</p> <p>We do, however, provide nonpublic personal information about you to the custodians who hold your investments, the professional money managers who manage your investments, and our broker/dealer. In order to comply with Federal regulations, portions of our business that include securities transactions are required to pass through our broker/dealer.</p> <p><u>Security Measures</u></p> <p>We restrict employee access to your nonpublic personal information to those individuals who need to know that information to provide you with products or services. We maintain physical, electronic, and procedural safeguards in order to guard your nonpublic personal information.</p> <p><u>Additional Information</u></p> <p>We reserve the right to change this policy and to apply any changes to information previously collected, as permitted by law. We will inform you of any changes as required by law.</p> <p>If you cease to be our customer, our Privacy Policy, as amended from time to time, will</p>

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	<p>continue to apply to the extent that we retain information about you that we collected while you were our customer.</p> <p>The examples contained in the Privacy Policy are illustrations only, and are not intended to be exhaustive.</p> <p>CONTACT US</p> <p>If you have any questions, concerns or if you wish to opt-out of this agreement, you may write or call us at the numbers listed below.</p> <p style="text-align: right;">Ludeman Capital Management, Inc. 2115 Barkley Blvd., Suite 101 Bellingham, WA 98229 800-470-1170 Phone (360) 738-9600</p>	

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