

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

Name of Investment Adviser: <b>Cambridge Wealth Management, Inc.</b>				
Address: (Number and Street)	(City)	(State)	(Zip Code)	Area Code: Telephone Number:
<b>5080 N. 40<sup>th</sup> Street, Suite 455</b>	<b>Phoenix</b>	<b>AZ</b>	<b>85018</b>	<b>( 602) 277-0611</b>

**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 government authority.**

**Table of Contents**

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

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

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

Applicant:

**Cambridge Wealth Management, Inc.**

SEC File Number:

**801-70034**

Date:

**10/01/2010**

## Definitions for Part II

Related person - Any officer, director or partner of applicant or any person directly or indirectly controlling, controlled by, or under common control with the applicant, including any non-clerical, non-ministerial employee.

Investment Supervisory Services - Giving continuous investment advice to a client (or making investments for the client) based on the individual needs of the client. Individual needs include, for example, the nature of other client assets and the client's personal and family obligations.

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. Approx (See instruction below.)

- Applicant:
- |                                     |     |   |     |
|-------------------------------------|-----|---|-----|
| <input checked="" type="checkbox"/> | (1) | Provides investment supervisory services . . . . .  | 65% |
| <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 . . . . .  | 20% |
| <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 checked="" type="checkbox"/> | (7) | On more than an occasional basis, furnishes advice to clients on matters not involving securities . . . . .   | 15% |
| <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 the applicant call any of the services it checked above financial planning or some similar term? . . . . .

Yes No  
☒ ☐

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

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> (1) A percentage of assets under management      | <input type="checkbox"/> (4) Subscription fees |
| <input checked="" type="checkbox"/> (2) Hourly charges                               | <input type="checkbox"/> (5) Commissions       |
| <input checked="" type="checkbox"/> (3) Fixed fees (not including subscription fees) | <input checked="" type="checkbox"/> (6) Other  |

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

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

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

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

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

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

Applicant:

**Cambridge Wealth Management, Inc.**

SEC File Number:

**801- 70034**

Date:

**10/01/2010****3. Types of Investments.** Applicant offers advice on the following: (check those that apply)

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> A. Equity Securities                   | <input checked="" type="checkbox"/> H. United States government securities |
| <input checked="" type="checkbox"/> (1) exchange-listed securities         |  |
| <input checked="" type="checkbox"/> (2) securities traded over-the-counter | <input type="checkbox"/> I. Options contracts on:                          |
| <input checked="" type="checkbox"/> (3) foreign issues                     | <input checked="" type="checkbox"/> (1) securities                         |
|  | <input type="checkbox"/> (2) commodities                                   |
| <input checked="" type="checkbox"/> B. Warrants                            |  |
| <input checked="" type="checkbox"/> C. Corporate debt securities           | <input type="checkbox"/> J. Futures contracts on:                          |
| (other than commercial paper)  | <input type="checkbox"/> (1) tangibles                                     |
|  | <input type="checkbox"/> (2) intangibles                                   |
| <input checked="" type="checkbox"/> D. Commercial paper                    | <input type="checkbox"/> K. Interests in partnerships investing in:        |
| <input checked="" type="checkbox"/> E. Certificates of deposit             | <input checked="" type="checkbox"/> (1) real estate                        |
| <input checked="" type="checkbox"/> F. Municipal securities                | <input checked="" type="checkbox"/> (2) oil and gas interests              |
|  | <input checked="" type="checkbox"/> (3) other (explain on Schedule F)      |
| <input checked="" type="checkbox"/> G. Investment company securities       | <input checked="" 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 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 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<br>(securities held at least a year) | (5) <input checked="" type="checkbox"/> Margin transactions   |
| (2) <input checked="" type="checkbox"/> Short term purchases<br>(securities sold within a year)  | (6) <input checked="" type="checkbox"/> Option writing, including covered options,<br>uncovered options or spreading strategies |
| (3) <input type="checkbox"/> Trading (securities sold within 30 days)                            | (7) <input type="checkbox"/> Other (explain on Schedule F)  |
| (4) <input type="checkbox"/> Short sales   |   |

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

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

Applicant:

**Cambridge Wealth Management, Inc.**

SEC File Number:

**801-70034**

Date:

**10/01/2010****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 type="checkbox"/> (1) broker-dealer   | <input checked="" type="checkbox"/> (7) accounting firm                            |
| <input type="checkbox"/> (2) investment company  | <input type="checkbox"/> (8) law firm  |
| <input type="checkbox"/> (3) other investment adviser  | <input type="checkbox"/> (9) insurance company or agency                           |
| <input type="checkbox"/> (4) financial planning firm   | <input type="checkbox"/> (10) pension consultant                                   |
| <input type="checkbox"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant | <input type="checkbox"/> (11) real estate broker or dealer                         |
| <input type="checkbox"/> (6) banking or thrift institution   | <input type="checkbox"/> (12) entity that creates or packages limited partnerships |

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

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

Yes No  
☐ ☒

(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).**

## FORM ADV

## Part II - Page 5

Applicant:

Cambridge Wealth Management, Inc.

SEC File Number:

801- 70034

Date:

10/01/2010

**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.)

- 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 will be conducted or attempted to be conducted with clients at least annually. Clients may request more frequent reviews and may set thresholds for triggering events that would cause a review to take place. Adviser will conduct reviews of all asset managed or monitored accounts at least quarterly upon receipt of the quarterly statements. Generally, Advisory Representatives will monitor for changes or shifts in the economy, asset class selection, risk and market shifts and corrections. Reviews are conducted by the Advisory Representative of record on the client's account. Clients are advised that they should notify their Advisory Representative promptly of any changes to the client's financial goals, objectives or financial situation as such changes may require Advisory Representative to review the client's portfolio and make recommendations for changes.**

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

**Clients will be provided with account statements reflecting the transactions occurring in the client's account at least on a quarterly basis. Clients will be provided with confirmations for each securities transaction executed in the client's account. Further, depending on the services requested by client, Representative may provide clients with an annual written report, which will be reviewed at the annual meeting.**

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

**FORM ADV****Part II - Page 6**

Applicant:

**Cambridge Wealth Management, Inc.**

SEC File Number:

**801-70034**

Date:

**10/01/2010****12. Investment or Brokerage Discretion.**

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

(1) securities to be bought or sold? . . . . .

Yes No

☒ ☐

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

Yes No

☒ ☐

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

Yes No

☐ ☒

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

Yes No

☐ ☒

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

Yes No

☒ ☐

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

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

**13. Additional Compensation.**

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

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

Yes No

☐ ☒

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

Yes No

☐ ☒

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

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

- has custody of client funds or securities; 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:
<b>Cambridge Wealth Management, Inc.</b>	<b>801-70034</b>	<b>10/01/2010</b>

(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: <b>Cambridge Wealth Management, Inc.</b>		IRS Empl. Ident. No.:
Item of Form (identify)	Answer	
Item 1 D	<p>Cambridge Wealth Management, Inc. referred to herein as "CWM." Associated persons of CWM are referred to herein as "Advisory Representatives."</p> <p>CWM provides investment advisory services to its clients on a discretionary basis, defined as giving continuous advice to a client or making investments for a client based on the individual needs of the client. CWM also provides tax related and other advisory services on a per project or retainer basis.</p> <p><b>I. <u>Asset Management Services</u></b></p> <p>Clients wanting to engage CWM to manage client's account will need to establish an account ("Account") generally with a broker/dealer with whom CWM has an account and a relationship in order to execute client trades and grant trading authorization to CWM. Clients are not obligated to use a broker/dealer suggested by CWM. However, if client selects another broker/dealer, CWM's services may be limited depending on the ability of the broker/dealer to accept instructions from CWM and provide CWM with transactional information. CWM will not maintain custody of client's funds or securities, with the exception of deduction of CWM's advisory fee from client's account. Custodial services for the managed Account will be provided through the broker/dealer or account custodian selected by the client.</p> <p>CWM offers asset management services on a discretionary basis. Therefore, CWM will buy, sell and exchange securities within the client's account as CWM deems necessary. However, CWM will not have the authority to remove clients' funds or securities from the accounts with the exception of payment of CWM's advisory fee. CWM will gather information on a client's financial history, goals, objectives, and financial concerns and assist client in developing an asset allocation strategy. All information gathered from client is confidential. Based on client's investment objectives, risk tolerance, and financial situation, CWM will manage the Account on a continuous basis.</p> <p>Clients are advised that transactions in the account, account reallocations and rebalancing may trigger a taxable event for the client, with the exception of IRA accounts, 403(b) accounts and other qualified retirement accounts.</p> <p>CWM may aggregate ("bunch") transactions in the same security on behalf of more than one client in an effort to strive for best execution and to possibly reduce the price per share and/or other costs to clients. However, aggregated or bunched orders will not reduce the transaction costs to participating clients. CWM conducts aggregated transactions in a manner designed to ensure that no participating client is favored over another client. Participating clients will obtain the average share price per share for the security executed that day. To the extent the aggregated order is not filled in its entirety and when possible, securities purchased or sold in an aggregated transaction will be allocated pro-rate to the participating client accounts in proportion to the size of the orders placed for each account. Under certain circumstances, the amount of securities maybe increased or decreased to avoid holding odd-lot or a small number of shares for particular clients.</p>	
Item 1 D		

**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:
<b>Cambridge Wealth Management, Inc.</b>	<b>801-70034</b>	<b>10/01/2010</b>

(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: <b>Cambridge Wealth Management, Inc.</b>		IRS Empl. Ident. No.:																												
Item of Form (identify)	Answer																													
(continued)	<p><u><b>Fee Schedule</b></u></p> <p>Advisory fees will be charged in advance on a calendar quarterly basis based upon the value of the client's portfolio on the last business day of the just completed calendar quarter. Accounts managed for a part of the quarter will be charged a prorated portion of the advisory fees for the quarter. Therefore, an account opened during the quarter will be initially charged a pro-rated portion of the advisory fee. Accounts closed during the quarter will be issued a pro-rated refund of the prepaid advisory fee.</p> <p>Fees will not be adjusted for additional assets deposited into the Account after it is opened or for partial withdrawals from the account during a calendar quarter. No fee adjustments will be made for Account appreciation or depreciation.</p> <p>The advisory fees payable upon initial implementation of the account may be paid by client upon receipt of the invoice from CWM or collected directly from the account provided the client has given CWM written authorization. Advisory fees for all subsequent periods will be charged to and collected directly from the client's Account. Clients will be provided with a fee invoice that identifies the advisory fee, the value of the Account and how the fee was calculated. Additionally, clients will be provided with an account statement reflecting the deduction of the advisory fee. If the Account does not contain sufficient funds to pay advisory fees, CWM has limited authority to sell or redeem securities in sufficient amounts to pay advisory fees. Client may reimburse the account for advisory fees paid to CWM, except for ERISA and IRA accounts.</p> <p>Fees are negotiable and are not based on a share of capital gains upon or capital appreciation of the funds or any portion of the funds. Advisory fees are in accordance with the following fee schedule effective October 2004. Existing clients may be under a different fee schedule in accordance with their advisory agreement. Clients who have executed agreements prior to October 2004 will not be subject to the following fee schedule or minimum fee.</p> <p><u><i>Fee Schedule for Clients as of February XX, 2009</i></u></p> <table border="0"> <tr> <td><u>Account Size</u></td> <td><u>Maximum Annual Fee</u></td> </tr> <tr> <td colspan="2"><b>*Minimum annual fee of the greater of \$1,000 or the percentage fee below.</b></td> </tr> <tr> <td><u>Account Size</u></td> <td><u>Maximum Annual Fee</u></td> </tr> <tr> <td>First \$250,000</td> <td>1.60%</td> </tr> <tr> <td>Next \$250,000</td> <td>1.25%</td> </tr> <tr> <td>Next \$500,000</td> <td>1.00%</td> </tr> <tr> <td>Next \$1,000,000</td> <td>0.90%</td> </tr> <tr> <td>Next \$1,000,000</td> <td>0.80%</td> </tr> <tr> <td>Next \$1,000,000</td> <td>0.70%</td> </tr> <tr> <td>Next \$1,000,000</td> <td>0.60%</td> </tr> <tr> <td>Next \$5,000,000</td> <td>0.50%</td> </tr> <tr> <td>Next \$10,000,000</td> <td>0.35%</td> </tr> <tr> <td>Next \$10,000,000</td> <td>0.30%</td> </tr> <tr> <td>Over \$30,000,000</td> <td>Negotiable</td> </tr> </table>		<u>Account Size</u>	<u>Maximum Annual Fee</u>	<b>*Minimum annual fee of the greater of \$1,000 or the percentage fee below.</b>		<u>Account Size</u>	<u>Maximum Annual Fee</u>	First \$250,000	1.60%	Next \$250,000	1.25%	Next \$500,000	1.00%	Next \$1,000,000	0.90%	Next \$1,000,000	0.80%	Next \$1,000,000	0.70%	Next \$1,000,000	0.60%	Next \$5,000,000	0.50%	Next \$10,000,000	0.35%	Next \$10,000,000	0.30%	Over \$30,000,000	Negotiable
<u>Account Size</u>	<u>Maximum Annual Fee</u>																													
<b>*Minimum annual fee of the greater of \$1,000 or the percentage fee below.</b>																														
<u>Account Size</u>	<u>Maximum Annual Fee</u>																													
First \$250,000	1.60%																													
Next \$250,000	1.25%																													
Next \$500,000	1.00%																													
Next \$1,000,000	0.90%																													
Next \$1,000,000	0.80%																													
Next \$1,000,000	0.70%																													
Next \$1,000,000	0.60%																													
Next \$5,000,000	0.50%																													
Next \$10,000,000	0.35%																													
Next \$10,000,000	0.30%																													
Over \$30,000,000	Negotiable																													
Item 1 D (continued)																														

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:
<b>Cambridge Wealth Management, Inc.</b>	<b>801-70034</b>	<b>10/01/2010</b>

(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: <b>Cambridge Wealth Management, Inc.</b>	IRS Empl. Ident. No.:
Item of Form (identify)	Answer
Item 1 D (continued)	<p>In addition to the advisory fees above, client may pay fees for custodial services, account maintenance fees, transaction fees, and other fees associated with maintaining the Account. CWM does not share in any portion of such fees. Additionally, client may pay their proportionate share of the fund's management and administrative fees and sales charges as well as the mutual fund adviser's fee of any mutual fund they purchase. Such fees are not shared with CWM and are compensation to the fund-manager. Clients should read the mutual fund prospectus prior to investing.</p> <p>Clients may terminate investment advisory services obtained from CWM, without penalty, upon written notice within five (5) business days after entering into the advisory agreement with CWM. Client will be responsible for any fees and charges incurred by client from third parties as a result of maintaining the Account such as transaction fees for any securities transactions executed and Account maintenance or custodial fees. Thereafter, client may terminate investment advisory services upon CWM's receipt of client's written notice to terminate.</p> <p><b>II. <u>Advisory Services</u></b></p> <p style="text-align: center;">Initial Retainer (first year)</p> <ul style="list-style-type: none"> <li>- Tax Planning</li> <li>- Asset Inventory</li> <li>- Development of Asset Allocation Strategy</li> <li>- Estate Plan Review</li> <li>- No-load Mutual Fund Recommendations</li> <li>- Insurance Review</li> <li>- Portfolio Analysis</li> <li>- Financial Goals</li> <li>- Needs Analysis</li> </ul> <p style="text-align: center;">Renewal Retainer</p> <ul style="list-style-type: none"> <li>- Tax Planning (typically tax preparation)</li> <li>- Financial Planning as Needed</li> <li>- Net Worth Update</li> <li>- Investment Review</li> </ul> <p style="text-align: center;">Financial Planning Services</p> <p>CWM will analyze the client's current situation and provide an analysis and action plan to work the client toward their financial goals.</p> <p>CWM will gather financial information and history from client including, but not limited to, retirement and financial goals, investment objectives, investment horizon, financial needs, cash flow analysis, cost of living needs, education needs, savings tendencies, and other applicable financial information required by CWM in order to provide the investment advisory services requested.</p> <p>Advisory services, analyses, and recommendations are based on the client's financial situation at the time and are based on financial information disclosed by the client to CWM. Clients are advised that certain assumptions may be made with respect to interest and inflation rates and use of past trends and performance of the market and economy. However, past performance is in no way an indication of future performance. CWM cannot offer any guarantees or promises that client's financial goals and objectives will be met. Further, client must continue to review any plan and update the plan based upon</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:
<b>Cambridge Wealth Management, Inc.</b>	<b>801-70034</b>	<b>10/01/2010</b>

(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: <b>Cambridge Wealth Management, Inc.</b>		IRS Empl. Ident. No.:
Item of Form (identify)	Answer	
	<p>changes in the client's financial situation, goals, or objectives or changes in the economy. Should client's financial situation or investment goals or objectives change, clients must notify CWM promptly of the changes. Clients are advised that the advice offered by CWM may be limited and is not meant to be comprehensive. Therefore, a client may need to seek the services of other professionals such as an insurance adviser, attorney and/or accountant.</p> <p><u><b>Fee Schedule</b></u></p> <p>Clients are charged an hourly or a retainer fee for financial planning and consulting services. Fees are negotiable. Hourly fees generally range from \$50 to \$250, retainer fees generally range from \$425 to \$20,000 per year, and financial planning fees ranging from \$2,500 to \$10,000. All fees are negotiable and are based on the complexity of the project/tax return, client situation, investment assets and non-investment income.</p> <p>Fees are due and payable to CWM as follows:</p> <p><b>Hourly</b> – As work is performed and at least monthly at the end of the month.</p> <p><b>Retainer Fee and Financial Planning Fee</b> – Generally, one-half (1/2) of the quoted fee will be due upon execution of the advisory agreement and the balance due upon completion of the services. Under no circumstances shall client be requested to prepay in excess of \$500 six or more months in advance of the services being performed. A fee schedule can be negotiated with CWM.</p> <p>Clients will have a period of five (5) business days from the date of signing an agreement to unconditionally rescind the agreement and receive a full refund of all fees. Thereafter, the client may terminate the agreement by providing CWM with written notice. Upon termination, fees will be prorated to the date of termination and any unearned portion of the fee will be refunded to the client.</p> <p>Client is advised that fees for financial planning are strictly for financial planning services. Therefore, client may pay fees and/or commissions for additional services obtained such as asset management or products purchased such as securities or insurance.</p> <p>Fees for any services being provided are deemed to be earned as the process of completing a project takes place or throughout the year for retainer clients.</p> <p><b>III. <u>Third Party Management Programs</u></b></p> <p>CWM has entered into a relationship with third party managers, Edelman Financial Services, LLC and Matson Money, Inc. through Matrix Asset Allocation ("Matrix"), registered investment advisers, for the purposes of offering clients access to alternatives to a managed assets program. Clients will be provided with the third party's disclosure brochure and will enter into an agreement with one or more third party managers for management services.</p> <p>CWM will assist the client with evaluating their suitability of a third party manager's management program. If a client is deemed suitable, CWM will further assist the client</p>	
Item 1 D (continued)		

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:
<b>Cambridge Wealth Management, Inc.</b>	<b>801-70034</b>	<b>10/01/2010</b>

(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: <b>Cambridge Wealth Management, Inc.</b>	IRS Empl. Ident. No.:																
Item of Form (identify)	Answer																
	<p>with selecting the appropriate and suitable managed portfolio and establish an account at a broker/dealer. Additionally, CWM will contact clients at least annually to review the client's account, financial situation and investment objectives and determine if any changes are needed to the portfolio. CWM will communicate any changes discussed with the client with the third party manager.</p> <p>CWM will receive compensation from Edelman Financial Services and/or Matrix. Such compensation will be a portion of the fee Edelman Financial Services or Matrix charges and collects from the client.</p> <p>CWM's portion of Edelman Financial Services' fee is based on the fee schedule below.</p> <table border="1"> <thead> <tr> <th>Value of Client's Portfolio</th> <th>Maximum fee to CWM</th> </tr> </thead> <tbody> <tr> <td>\$50,000 to \$150,000</td> <td>1.20%</td> </tr> <tr> <td>\$150,000 to \$400,000</td> <td>1.00%</td> </tr> <tr> <td>\$400,000 to \$750,000</td> <td>0.75%</td> </tr> <tr> <td>\$750,000 to \$1,000,000</td> <td>0.50%</td> </tr> <tr> <td>\$1,000,000 to \$3,000,000</td> <td>0.35%</td> </tr> <tr> <td>\$3,000,000 to \$10,000,000</td> <td>0.25%</td> </tr> <tr> <td>\$10,000,000 and higher</td> <td>0.20%</td> </tr> </tbody> </table> <p>CWM will receive fees ranging from .25% to 1.4% of the value of clients' assets under Matrix management.</p> <p>Clients are advised a conflict of interest may exist for CWM to recommend the services of a third party manager who has agreed to share a portion of its management fee with CWM. Clients are advised fees for Edelman Financial Services' and/or Matrix programs may be higher or lower than if client directly obtained the services of the third party manager directly or if client obtained advisory services separately. However, clients will not have the benefit of over site, consulting or monitoring services offered by CWM. The advisory fees charged by Edelman Financial Services or the Matrix program may be higher or lower than the advisory fees charged by other managers offering similar services. Clients should read Edelman Financial Services' and the Matrix disclosure brochure for additional disclosure of its managed program.</p> <p>CWM does not take custody of client assets. CWM will not directly conduct any securities transactions on behalf of the client or participate directly in the selection of the securities to be purchased or sold for the client. Investment decisions are made by Edelman Financial Advisors and Matrix in accordance with the agreement between client and Edelman Financial Services and Matrix.</p> <p><b>GENERAL DISCLOSURES</b></p> <p>Lower fees for comparable services may be available from other sources. Material conflicts of interest have been disclosed to the client in writing via the Form ADV, Part II that could cause the CWM or Advisory Representatives to not render unbiased and objective advice. CWM does not maintain custody of client funds or securities.</p>	Value of Client's Portfolio	Maximum fee to CWM	\$50,000 to \$150,000	1.20%	\$150,000 to \$400,000	1.00%	\$400,000 to \$750,000	0.75%	\$750,000 to \$1,000,000	0.50%	\$1,000,000 to \$3,000,000	0.35%	\$3,000,000 to \$10,000,000	0.25%	\$10,000,000 and higher	0.20%
Value of Client's Portfolio	Maximum fee to CWM																
\$50,000 to \$150,000	1.20%																
\$150,000 to \$400,000	1.00%																
\$400,000 to \$750,000	0.75%																
\$750,000 to \$1,000,000	0.50%																
\$1,000,000 to \$3,000,000	0.35%																
\$3,000,000 to \$10,000,000	0.25%																
\$10,000,000 and higher	0.20%																

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:
<b>Cambridge Wealth Management, Inc.</b>	<b>801-70034</b>	<b>10/01/2010</b>

(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: <b>Cambridge Wealth Management, Inc.</b>	IRS Empl. Ident. No.:
Item of Form (identify)	Answer	
	<p>Client is advised that the investment recommendations and advice offered by CWM are not legal advice or accounting advice. Client should coordinate and discuss the impact of financial advice with their attorney and/or accountant. Client is advised that it is necessary to inform CWM promptly with respect to any changes in the client's financial situation and investment goals and objectives. Failure to notify CWM of any such changes could result in investment recommendations not meeting the needs of the client.</p> <p><b>PRIVACY NOTICE</b> CWM gathers various nonpublic information from clients in order to provide advisory products and services. CWM does not share nonpublic information with nonaffiliated third parties except as permitted by law. Clients will be provided with a copy of CWM's privacy policy upon establishment of a client relationship with CWM and annually thereafter as long as client remains an active client.</p> <p><b>WARRANTEES/REPRESENTATIONS</b> CWM does not represent, warrantee or imply that the services or methods of analysis used by CWM can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to major market corrections or crashes. No guarantees can be offered that client's goals or objectives will be achieved. Further, no promises or assumptions can be made that the advisory services offered by CWM will provide a better return than other investment strategies.</p> <p><b>PROXY VOTING</b> Clients are advised that CWM does not vote or accept authority to vote clients' securities proxies on behalf of clients. Clients retain full authority to vote all proxies.</p>	
Item 3	<p><b><u>Types of Investments</u></b> The CWM may offer advice on real estate, gold coins, and alternative investments of interests to clients. In addition, the US Tax Code, IRS regulations, and Tax Court decisions are used as sources of information to assist with tax related decisions.</p>	
Item 5	<p><b><u>Education and Business Standards</u></b> Associated persons providing investment advice to clients on behalf of the CWM must have a C.P.A., P.F.S., J.D., M.B.A., CFP, EA or equivalent or be working toward a designation.</p>	
Item 6	<p><b><u>Education and Business Background</u></b>  <b>Robert R. Korljan</b> Date of Birth: 1952            Education:  <ul style="list-style-type: none"> <li>o Arizona State University, BS. Accounting -1974</li> <li>o Covenant Theological Seminary M.Div. 1984</li> <li>o Certified Public Accountant -1975</li> <li>o Personal Financial Specialist ("PFS") - 1995</li> </ul> </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:
<b>Cambridge Wealth Management, Inc.</b>	<b>801-70034</b>	<b>10/01/2010</b>

(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: <b>Cambridge Wealth Management, Inc.</b>		IRS Empl. Ident. No.:
Item of Form (identify)	Answer	
	<p><b>Business Background:</b></p> <ul style="list-style-type: none"> <li>o Cambridge Wealth Management, Inc. (formerly Cambridge Financial, Inc.), an investment adviser, position: President and Advisory Representative – 1999 to Present</li> <li>o Robert Korljan, LTD, an accounting firm, position: President and CPA - 1992 to present</li> <li>o Elmer &amp; Korljan CPAs, Ltd, an accounting firm, position: President - 1992 to 12/2007</li> </ul> <p><b>David Buskirk</b> <span style="float: right;">Date of Birth: 1963</span></p> <p><b>Education:</b></p> <ul style="list-style-type: none"> <li>o San Diego State University, BA English, Minor in Historical Linguistics - 1986</li> <li>o Arizona State University – Attended 1993</li> <li>o Metropolitan State College of Denver, CFP Exam Preparatory courses – 11/2003 to 06/2004</li> <li>o Received the Registered Financial Consultant (“RFC”) designation 08/2004</li> <li>o Obtained the Certified Financial Planner (“CFP”) designation 02/2005</li> <li>o Enrolled Agent – 10/24/2007</li> </ul> <p><b>Business Background:</b></p> <ul style="list-style-type: none"> <li>o Cambridge Wealth Management, Inc. (formerly Cambridge Financial, Inc.), an investment adviser, position: Advisory Representative – 2004 to Present</li> <li>o Stuart Financial, Corp., a financial services, position: Registered Representative - 01/2004 to 11/2004</li> <li>o Teachers Helping Teachers, position: Sales – 08/1993 to 11/2004</li> <li>o SunAmerica Securities, Inc., a broker/dealer, position: Registered Representative – 02/1998 to 12/2003</li> <li>o Tempe Union HS District, position: Teacher – 08/1992 to 12/2003</li> </ul>	
Item 7 C And Item 8 C (7)	<p><b><u>Other Business Activities</u></b></p> <p>Advisory Representatives may be licensed insurance agents with various insurance companies and offer various insurance products for which they will be paid a commission. The commissions will be in addition to any advisory fees paid to CWM for advisory services. Clients are not obligated to purchase insurance products or services through Advisory Representatives. Advisory Representatives spend approximately 10% of their time offering insurance products.</p> <p><b><u>Other Financial Industry Activities or Affiliations</u></b></p> <p>Robert Korljan is President of Robert Korljan LTD, a CPA Firm and may recommend accounting services. Clients are not obligated to participate in accounting services through Mr. Korljan. Should clients elect to participate in accounting services through Mr. Korljan he will receiving compensation for the accounting services. Such compensation will be in addition to any fees paid by client to CWM for advisory services. Mr. Korljan spends approximately 25% of his time offering accounting services.</p>	
Item 9 E	<b><u>Participation or Interest in Client Transactions</u></b>	
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:
<b>Cambridge Wealth Management, Inc.</b>	<b>801-70034</b>	<b>10/01/2010</b>

(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: <b>Cambridge Wealth Management, Inc.</b>		IRS Empl. Ident. No.:
Item of Form (identify)	Answer	
	<p>Associates of the CWM may own an interest in or buy or sell for their own accounts the same securities, which may be purchased or sold in the accounts of advisory clients. In all cases, client orders are given priority. In no case shall an associate of the CWM receive a better price or more favorable circumstances than a client. Associates seek to ensure that they do not personally benefit from the short-term market effects of their recommendations to clients. Policies and procedures have been adopted to prevent the misuse of material non- public information and to detect and prevent insider trading. The CWM may also buy or sell a specific security for their own account based on personal investment considerations, which the CWM does not deem appropriate to buy or sell for clients. Personal transactions of CWM does not deem appropriate to buy or sell for clients. Personal transactions of associates of the CWM are regularly monitored to ensure that client interests are put first in all relevant circumstances.</p>	
Item 12 A	<p><b><u>Investment or Brokerage Discretion</u></b> CWM may be granted the authority to select the amount of securities to be bought or sold without specific client consent. Client will grant such authority to CWM by execution of the client agreement. Client may terminate discretionary authorization at any time upon receipt of written notice by CWM. Additionally, client is advised that:</p> <ol style="list-style-type: none"> <li>1) Client may set parameters with respect to when account should be rebalanced and set trading restrictions or limitations;</li> <li>2) CWM must obtain written client consent to establish any brokerage account;</li> <li>3) Clients may specify which broker-dealer to be used. As a listed financial advisor with TD Ameritrade, CWM may suggest that clients consider brokerage accounts at one of them but are not obligated to do so;</li> <li>4) With the exception of deduction of CWM's advisory fees from the account, if client has authorized automatic deductions, CWM will not have the ability to withdraw client's funds or securities from the account.</li> </ol>	
Item 12 B	<p><b><u>Broker Recommendations</u></b> CWM has made arrangements with certain broker/dealers for clients to establish and maintain accounts. CWM may suggest that clients consider brokerage accounts at such broker/dealers; however, clients are not obligated utilize the broker/dealers. Generally, the recommendation to select one of the broker/dealers is based on the CWM's perception of the breadth of services offered, electronic trade confirmations and quality of execution. However, the client may pay commissions or fees that are higher or lower than those that may be obtained from elsewhere for similar services. CWM does not have any affiliation with any broker/dealer suggested by CWM.</p>	

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