

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

OMB Number: 3235-0049  
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hours per response. . . . . 4.07

Name of Investment Adviser: Lustrin Financial, LLC						
Address:	(Number and Street)	(City)	(State)	(Zip Code)	Area Code:	Telephone number:
	28 West 44th Street, Suite 920	New York, NY	10036		(212)	991-9590

**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:  
Lustrin Financial, LLC

SEC File Number:  
801- 69433

Date:  
March 29, 2010

- 1. A. Advisory Services and Fees.** (check the applicable boxes) For each type of service provided, state the approximate % of total advisory billings from that service. (See instruction below.)

**Applicant:**

- |                                     |     |   |    |   |
|-------------------------------------|-----|---|----|---|
| <input checked="" type="checkbox"/> | (1) | Provides investment supervisory services .....  | 90 | % |
| <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 ....   | 10 | % |
| <input type="checkbox"/>            | (4) | Issues periodicals about securities by subscription .....   |    | % |
| <input type="checkbox"/>            | (5) | Issues special reports about securities not included in any service described above .....   |    | % |
| <input type="checkbox"/>            | (6) | Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities ..... |    | % |
| <input type="checkbox"/>            | (7) | On more than an occasional basis, furnishes advice to clients on matters not involving securities .....   |    | % |
| <input type="checkbox"/>            | (8) | Provides a timing service .....   |    | % |
| <input type="checkbox"/>            | (9) | Furnishes advice about securities in any manner not described above .....   |    | % |

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

- B. Does applicant call any of the services it checked above financial planning or some similar term? . . . . . ☒ Yes ☐ No

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

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

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

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

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

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> A. Individuals           | <input checked="" type="checkbox"/> E. Trusts, estates, or charitable organizations                    |
| <input type="checkbox"/> B. Banks or thrift institutions     | <input 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:  
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**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"/> I. Options contracts on:                   |
| <input checked="" type="checkbox"/> (2) securities traded over-the-counter                     | <input checked="" type="checkbox"/> (1) securities                             |
| <input checked="" type="checkbox"/> (3) foreign issuers  | <input checked="" type="checkbox"/> (2) commodities                            |
| <input checked="" type="checkbox"/> B. Warrants  | <input checked="" type="checkbox"/> J. Futures contracts on:                   |
| <input checked="" type="checkbox"/> C. Corporate debt securities (other than commercial paper) | <input checked="" type="checkbox"/> (1) tangibles                              |
| <input checked="" type="checkbox"/> D. Commercial paper  | <input checked="" type="checkbox"/> (2) intangibles                            |
| <input checked="" type="checkbox"/> E. Certificates of deposit                                 | <input checked="" type="checkbox"/> K. Interests in partnerships investing in: |
| <input checked="" type="checkbox"/> F. Municipal securities                                    | <input checked="" type="checkbox"/> (1) real estate                            |
| <input checked="" type="checkbox"/> G. Investment company securities:                          | <input checked="" type="checkbox"/> (2) oil and gas interests                  |
| <input checked="" type="checkbox"/> (1) variable life insurance                                | <input checked="" type="checkbox"/> (3) other (explain on Schedule F)          |
| <input checked="" type="checkbox"/> (2) variable annuities                                     | <input type="checkbox"/> L. Other (explain on Schedule F)                      |
| <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 checked="" type="checkbox"/> Company press releases  |
| (4) <input checked="" 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 checked="" type="checkbox"/> Trading (securities sold within 30 days)                 | (7) <input type="checkbox"/> Other (explain on Schedule F)  |
| (4) <input checked="" type="checkbox"/> Short sales  |   |

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

Applicant:  
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**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
- year of birth
- formal education after high school
- business background for the preceding five years

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

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

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

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

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

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**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.

See Schedule F.

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

See Schedule F.

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

Applicant:  
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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:

- |  | Yes                                 | No                                  |
|--|-------------------------------------|-------------------------------------|
| (1) securities to be bought or sold? .....               | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| (2) amount of the securities to be bought or sold? ..... | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| (3) broker or dealer to be used? .....                   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| (4) commission rates paid? .....                         | <input type="checkbox"/>            | <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 product 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 <input type="checkbox"/>            | No <input checked="" type="checkbox"/> |
| B. directly or indirectly compensates any person for client referrals? .....  | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/>            |

(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

<b>Schedule F of</b>		Applicant:	SEC File Number:	Date:								
<b>Form ADV</b>		Lustrin Financial, LLC	801- 69433	March 29, 2010								
<b>Continuation Sheet for Form ADV Part II</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:			IRS Empl. Ident. No.:									
Lustrin Financial, LLC			12-4269301									
Item of Form (identify)	Answer											
Introduction	<p>This document is being offered to you on behalf of Lustrin Financial, LLC (“LF”) so as to provide you with information about the services LF provides and the manner in which those services are made available to its clients.</p> <p>Prior to engaging LF to provide investment advisory services, the client will be required to enter into an advisory agreement with LF. The advisory agreement will set forth the terms and conditions of the engagement, and describes the scope of the services to be provided and the fees for such.</p> <p>A copy of this disclosure document will be provided to the client prior to, or contemporaneously with, the execution of the Client Advisory Agreement (“CAA”) between each client and LF. Any client who has not received a copy of LF’s disclosure document at least forty-eight (48) hours prior to executing the CAA will have five (5) business days subsequent to executing the agreement to terminate LF’s services and to receive a full refund of all client monies already paid without penalty.</p> <p><b><u>Services and Fees:</u></b></p> <p>The following is a summary of the services that LF offers and the corresponding fees. Please refer to Items 1.A and 1.D below for more detailed information.</p> <table border="1"> <thead> <tr> <th>Service Type</th> <th>Fees</th> </tr> </thead> <tbody> <tr> <td>Portfolio Management</td> <td> <ul style="list-style-type: none"> <li>Asset-Based Fees</li> <li>Fixed/Flat Fees</li> </ul> </td> </tr> <tr> <td>Outside Managers</td> <td> <ul style="list-style-type: none"> <li>Asset-Based Fees</li> </ul> </td> </tr> <tr> <td>Financial Planning</td> <td> <ul style="list-style-type: none"> <li>Fixed/Flat Fees</li> <li>Hourly Fees</li> </ul> </td> </tr> </tbody> </table>				Service Type	Fees	Portfolio Management	<ul style="list-style-type: none"> <li>Asset-Based Fees</li> <li>Fixed/Flat Fees</li> </ul>	Outside Managers	<ul style="list-style-type: none"> <li>Asset-Based Fees</li> </ul>	Financial Planning	<ul style="list-style-type: none"> <li>Fixed/Flat Fees</li> <li>Hourly Fees</li> </ul>
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Item 1.A(1) and Item 1.A(2)	<p><b>Portfolio Management</b></p> <p>LF provides portfolio management services on a discretionary or non-discretionary basis. This service includes the ongoing monitoring and supervision of client accounts.</p> <p>LF may design, revise, and reallocate a client’s custom portfolio. Investments are determined based upon the client’s investment objectives, risk tolerance, net worth, net income, age, time horizon, tax situation and other various suitability factors. Restrictions and guidelines imposed by the client may affect the composition and performance of custom portfolios (as a result, performance of custom portfolios within the same investment objective may differ and the client should not expect that the performance of his/her custom portfolios will be identical to any other individual’s portfolio performance.)</p> <p><b>Outside Managers</b></p> <p>LF may utilize services of sub-advisers to assist LF with formulating asset allocation, industry and sector selection, and individual investment recommendations in constructing and maintaining custom portfolios.</p> <p>LF may also recommend products or services managed or offered by other investment advisers or third</p>											

<p>Item 1.A(1) and 1.A(2) (continued)</p>	<p>parties that may or may not be affiliated with LF. Such products or services are customarily referred to as “sub-advisory accounts.”</p> <p>A “sub-advisory account” is essentially a traditional brokerage account managed by another investment adviser. In the context of LF’s services, LF may refer its clients to outside investment advisers who would perform specific investment advisory or portfolio management services over client accounts. LF may recommend outside investment advisers to perform such services for its clients’ accounts and in turn, LF will monitor such outside investment advisers’ performance with respect to such separately managed account programs. Specific services and fees related to such programs will be available in the outside investment adviser’s current disclosure documents.</p> <p>The selection of investment managers may be provided on a discretionary or non-discretionary basis where LF has the authority to hire or fire the investment manager. The decision to hire or fire a particular investment manager will be based upon continued suitability and performance of a client’s account.</p> <p>As a result of recommending any outside money managers/investment advisers, LF will not directly charge clients for its advisory services. Rather, the outside money managers that are managing the client’s assets will charge the fees for the services provided. LF will enter into all appropriate agreements with such parties whereby LF will receive a portion of such fees. Unless specifically agreed to otherwise by the client, LF’s fees will not represent any additional charge to the Client above and beyond the normal and customary fees charged by any outside money managers.</p> <p>The specific fees and assessment/collection frequency for fees associated with any management services provided by outside investment advisers recommended by LF will be contained in such investment adviser’s current disclosure document.</p> <p><b>Client Information</b></p> <p>In order to determine a suitable course of action for an individual client, LF will perform a review of the client’s financial circumstances. Such review may include, but would not necessarily be limited to, investment objectives, consideration of the client’s overall financial condition, income and tax status, personal and business assets, risk profile, and other factors unique to the client’s particular circumstances.</p> <p>In making investment recommendations on behalf of the client, LF will rely on a data gathering document or other questionnaire, which would be completed based on information provided by the Client.</p> <p><b>Proxy Voting</b></p> <p>LF intends to offer its clients the option of LF voting proxies on their behalf. This service will not be aggressively promoted and will be offered only as a matter of convenience and must be specifically authorized by each client on whose behalf LF performs such services. In the event that LF is provided authorization by a client to vote proxies on behalf of such client, LF will prepare and install procedural safeguards to allow for this service to occur in full conformity to the requirements set forth under Rule 206(4)-6 under the Investment Advisers Act of 1940 and/or any state-specific requirements related to such activities.</p>
<p>Item 1.A(3)</p>	<p><b>Financial Planning</b></p> <p>LF may prepare a written financial plan for its clients. LF’s financial planning services may involve consultation, analysis, and recommendations in the six areas of financial planning, which include (1) financial situation; (2) income taxes; (3) insurance; (4) investments; (5) retirement planning; and (6) estate planning.</p> <p>In order to determine a suitable course of action for an individual client, LF will perform a review of the</p>



<p>Item 1.A(3) (continued)</p>	<p>variables that are presented. This review may include, but would not necessarily be limited to, investment objectives, consideration of the client's overall financial condition, income and tax status, personal and business assets, risk profile, and other factors unique to the client's particular circumstances.</p> <p>LF will review the client's present financial situation and issue a written analysis and report of recommendations in accordance with the client's goals and objectives. This service may include an initial consultation and subsequent follow-up visits. LF, unless engaged separately to do so, will not be responsible for the implementation of the plan. The client assumes full responsibility for the implementation of the plan. The services provided in this regard may include but would not be limited to the following:</p> <ul style="list-style-type: none"> <li>• Prepare an annual net worth statement;</li> <li>• Create a cash flow statement;</li> <li>• Review current investments and make recommendations thereon;</li> <li>• Review client's most recent tax returns and provide tax planning advice or tax preparation services;</li> <li>• Review client's life insurance and disability insurance and make recommendations thereon;</li> <li>• Review client's estate plan and make recommendations thereon;</li> <li>• Complete a retirement analysis; and</li> <li>• Provide education planning advice.</li> </ul> <p>LF's fees for a written financial plan may be affected by several factors such as the complexity of pertinent circumstances, the responsibility assumed by LF, the potential benefit resulting to the client and the perceived probability of certain anticipated complications that may arise. Although not an all-inclusive list, the following factors may impact the fee charged to a client:</p> <ul style="list-style-type: none"> <li>• investment objectives;</li> <li>• consideration of the client's overall financial condition, including current financial holdings;</li> <li>• net worth;</li> <li>• income and tax status, personal and business assets;</li> <li>• marital status;</li> <li>• number of dependents;</li> <li>• risk profile;</li> <li>• previous investment experience; and</li> <li>• other factors unique to the client's particular circumstances.</li> </ul> <p>It should be noted that the above listed factors are NOT intended to represent prospective examples of ALL factors that may contribute to the ultimate fee determination for any given client, however, any of these factors COULD contribute to such. Further, no single one of these factors should be solely relied upon in a client's fee arrangement determination.</p>						
<p>Item 1.D</p>	<p><b>Fees</b></p> <p>The following information will address the fees that LF may charge for the services described in the previous sections. Information noted below will address the general fee ranges, calculation methods, billing frequency, and manner of billing.</p> <p><b><i>Asset-Based Fees</i></b></p> <table border="1" data-bbox="410 1780 1369 1894"> <thead> <tr> <th>Account(s) Value</th><th>Annual Percentage</th></tr> </thead> <tbody> <tr> <td>Any</td><td>Up to 1.50 %</td></tr> <tr> <td colspan="2"><b>All fees are subject to negotiation at the sole discretion of LF.</b></td></tr> </tbody> </table>	Account(s) Value	Annual Percentage	Any	Up to 1.50 %	<b>All fees are subject to negotiation at the sole discretion of LF.</b>	
Account(s) Value	Annual Percentage						
Any	Up to 1.50 %						
<b>All fees are subject to negotiation at the sole discretion of LF.</b>							

Item 1.D  
(continued)

**Assessment of Asset-Based Fees (in advance)**

The first bill will be calculated and prorated according to the date of execution of the CAA (“inception date”) and will be payable at the end of the calendar quarter (or month, as will be designated on the CAA) in which the initial meeting between the client and LF takes place. The first bill will be based upon a percentage of client assets under management by LF as of the inception date. This fee portion will be referred to as the “inception fee.”

At the same time the inception fee is assessed, LF will also calculate, in advance, the next quarter’s (or month’s) fee based upon a percentage of the assets under management by LF as of the last business day of that calendar quarter (month.) This fee amount will be calculated by assessing 1/4 (or 1/12) of the total annual percentage charged against the assets under management by LF. The client’s first bill will include the inception fee and the first full quarter’s (or month’s) fee (advanced). Thereafter, each subsequent quarterly (or monthly) fee will be calculated, in advance, based upon the dollar amount of assets under management by LF as of the last business day of each calendar quarter (or month.)

In the event of termination, the client will receive a pro rata refund of any pre-paid fees attributable to any period after the date of termination.

***Fees for Outside Managers***

Outside managers recommended or selected by LF charge their own advisory fees for managing client accounts. Such fees are generally based on a percentage of the assets under management. LF’s fees are subject to negotiation and are part of the overall fees charged by such outside money managers. LF’s compensation will not increase the overall fees charged by outside money managers who are actively managing a client’s assets. Additional details related to fees charged by outside investment advisers will be explained in any such adviser’s disclosure document.

LF will not bill or invoice clients directly for its fees related to the recommendation or selection of other investment advisers. The fees charged by other investment advisers are assessed by such parties. Such fees may be charged in advance or in arrears; monthly, quarterly, or annually. Further, fees may be collected via the custodian or by way of direct billing by such investment adviser. Regardless of the other investment adviser’s billing practices, LF’s compensation will be received from the other adviser in accordance with the normal and customary billing practices as outlined in the outside investment adviser’s disclosure document.

***Fixed Fees***

LF may charge a fixed fee for its advisory services. LF’s fixed fee range is from \$1,000 to \$100,000 on an annual basis, depending upon the level and scope of the services required. Alternatively, LF may charge a one-time fixed fee for its advisory services.

The services that correspond to the designated fixed fee amount may vary. LF is unable to forecast the exact services that may be involved for the client who is charged \$1,000 or one who is charged \$100,000. As such, the determination of the fixed-fee amount will vary based upon any number of factors which may be specific to each individual client’s set of circumstances. Advisory services that are anticipated to be more complex will generally warrant a higher fixed-fee amount. Less complex services may generally result in a lower fixed-fee amount.

LF’s fixed fee for providing advisory services is determined based on anticipated work to be done. Since LF cannot accurately determine the fee amount until learning about the client’s financial circumstances, it is LF’s practice to provide an initial, no obligation, no cost meeting in order to become familiar with the client’s circumstances. LF will obtain information from the client verbally and on any current information gathering documents approved for use by LF. The information gathered during this session will assist LF in determining the fee amount for the client’s advisory services.

Item 1.D  
(continued)

**Assessment of Annual Fixed Fees (in advance)**

50% of the first year's fixed fee will be payable upon execution of the CAA. At the beginning of the fourth calendar month after the execution of the CAA, the client will be billed 25% of the overall fee. The remaining 25% of the overall fee will be billed at the beginning of the seventh calendar month after the execution of the CAA.

For services rendered subsequent to the first year of the engagement, the annual fixed fee will be payable in four equal quarterly installments in advance. Each such quarterly payment will be based upon the execution date of the CAA.

In the event of termination of the CAA, the client will receive a pro rata refund of any pre-paid fees attributable to any period after the date of termination.

***Hourly Fees***

LF's hourly fees are negotiable, but generally range from \$200 to \$400 on an hourly basis, depending upon the level and scope of the services required.

LF's hourly rate is determined based on anticipated work to be done. Since LF cannot accurately determine the hourly fee amount until learning about client's financial circumstances, it is LF's practice to provide an initial, no obligation, no cost meeting in order to become familiar with the client's circumstances.

The services that may correspond to the designated hourly fee amount may vary. LF is unable to forecast the exact services that may be involved for a client who is charged \$200 as opposed to \$400 for LF's services on an hourly-fee basis. As such, the determination of the hourly-fee amount will vary based upon any number of factors that may be specific to each individual client's set of circumstances. Advisory services that are anticipated to be more complex will generally warrant a higher hourly-fee amount. Less complex services may generally result in a lower hourly-fee amount.

There is no set group of services that may be obtained at the \$200 level nor is there any particular set of services that may be obtained at the \$400 level. The hourly-fees will be based on the complexity of the service that is anticipated to be necessary for the particular client(s).

**Assessment of hourly fees**

Hourly fees will be billed in arrears, as specific services are performed. Hourly fees will be calculated by multiplying the number of hours of service performed by the designated hourly. LF bills in increments of fifteen (15) minutes.

In most cases, the amount of the hourly fee will be automatically billed against a retainer. The amount of the retainer will be calculated as 50% of the anticipated total fee amount. In cases where the retainer amount does not satisfy an outstanding hourly fee amount at a point of service, an invoice will be generated and submitted to the client. Invoices will generally be prepared by the fifteenth day of the calendar month following the month in which the service was performed that resulted in the fee.

***Other Fee Considerations:***

*Billing by custodian.* Contemporaneously with the execution of the CAA, the client may be asked to sign an authorization that will allow the custodian of any of his/her accounts to debit the account(s) the amount of LF's advisory fee and remit the fee to LF. The authorization will remain valid until a written revocation of the authorization is received by LF. In connection with this fee deduction process, the custodian will send to the client a statement, at least quarterly, indicating:

- all amounts disbursed from the account, and

Item 1.D (continued)	<ul style="list-style-type: none"><li>the amount of advisory fees paid directly to LF.</li></ul> <p><i>Direct billing.</i> If specified on the CAA, the client will be billed directly by LF for LF’s fees. The client will generally be invoiced no later than the fifth business day of the month in which the payment is due.</p> <p>LF, in its sole discretion, may charge a lesser or no advisory fee based upon certain criteria (i.e. anticipated future earnings capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with the client, etc.) No increase in LF’s fees will be effective without prior written notification of at least thirty (30) days to the client.</p> <p>In addition to LF’s investment advisory fees, the client may be assessed other fees by parties independent from LF. The client may also incur, relative to certain investment products (such as mutual funds), charges imposed directly at the investment product level (i.e. advisory fees, administrative fees, and other fund expenses.) Brokerage fees/commissions charged to the client for securities trade executions may be billed to the client by the broker-dealer or custodian of record for the client account, not LF. Any such fees are exclusive of, and in addition to LF’s compensation. The client acknowledges that he/she will be solely and directly responsible for all fees, including other than LF’s fees billed directly to the client. LF reserves the right to bill clients for administrative costs incurred in relation to the performance of the services described in the CAA, such as overnight mail, etc.</p> <p><b>Termination</b></p> <p>Either party may terminate the services described above, with written ten (10) day notice to the other. Any charges incurred prior to termination will be charged pro rata based upon the period covered. Termination requests may be sent to LF at the following address: LF Financial, LLC. 28 West 44<sup>th</sup> Street, Suite 920, New York, NY 10036.</p>																																												
Item 3.K(3)	LF may provide investment advisory services in regard to investment-related partnerships or other pooled investment vehicles. Typically, such products are Direct Participation Programs or privately placed securities that are exempt from registration under the Securities Act of 1933 in reliance on an exemption such as the provisions of Regulation D.																																												
Item 5	Any associated person of LF providing investment advice to be delivered to or used on behalf of a client is required to meet the specific state registration and licensing/examination requirements in order to provide such advice. This licensing typically involves the Series 65 or the combination of the Series 66 and the Series 7.																																												
Item 6	<p><b>Education and Business Background</b></p> <table><tr><td><b>Name:</b></td><td colspan="3"><b>Alan Lustrin</b></td></tr><tr><td><b>Year of Birth:</b></td><td colspan="3"><b>1960</b></td></tr><tr><td colspan="4"><b>Formal education after high school.</b></td></tr><tr><td><b>Institution</b></td><td><b>Degree / Major</b></td><td colspan="2"><b>Years</b></td></tr><tr><td>New York University School of Law</td><td>LL.M., Taxation</td><td colspan="2">1987-1991</td></tr><tr><td>Hofstra University School of Law</td><td>JD</td><td colspan="2">1982-1985</td></tr><tr><td>State University of New York, Albany</td><td>BS, Accounting</td><td colspan="2">1978-1982</td></tr><tr><td colspan="4"><b>Business background for the preceding five years.</b></td></tr><tr><td><b>Entity</b></td><td><b>From</b></td><td colspan="2"><b>To</b></td></tr><tr><td>Lustrin Financial, LLC</td><td>2/2004</td><td colspan="2">Present</td></tr><tr><td>Palmas Development, LLC</td><td>2/2002</td><td colspan="2">Present</td></tr></table>	<b>Name:</b>	<b>Alan Lustrin</b>			<b>Year of Birth:</b>	<b>1960</b>			<b>Formal education after high school.</b>				<b>Institution</b>	<b>Degree / Major</b>	<b>Years</b>		New York University School of Law	LL.M., Taxation	1987-1991		Hofstra University School of Law	JD	1982-1985		State University of New York, Albany	BS, Accounting	1978-1982		<b>Business background for the preceding five years.</b>				<b>Entity</b>	<b>From</b>	<b>To</b>		Lustrin Financial, LLC	2/2004	Present		Palmas Development, LLC	2/2002	Present	
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Item 9	<p><b>Code of Ethics</b></p> <p>At LF, we take great pride in our commitment to serving our clients’ needs and the integrity with which we conduct our business. In our recent history, the financial services industry has come under significant scrutiny, especially in the area of the inherent responsibility of financial professionals to behave in the best interests of their clients.</p> <p>LF has developed a Code of Ethics (“Code”) as a means of memorializing our vision of appropriate and professional conduct in carrying out the business of providing investment advisory services. Our Code addresses issues such as the following:</p> <ul style="list-style-type: none"> <li>• Standards of conduct and compliance with applicable laws, rules, and regulations</li> <li>• Protection of material non-public information</li> <li>• The addressing of conflicts of interest</li> <li>• Employee disclosure and reporting of personal securities holdings and transactions</li> <li>• The firm’s IPO and private placement policy</li> <li>• The reporting of violations of the Code</li> <li>• Educating employees about the Code</li> <li>• Enforcement of the Code</li> </ul> <p>Each of LF’s representatives has been furnished with a copy of our Code and has signed their names to a written acknowledgement attesting to their understanding of the Code and acceptance of its terms. A copy of our Code is available to all current and/or prospective clients upon request.</p>
Item 9.E	<p>LF or its personnel may invest for their own accounts or have a financial interest in the same securities or other investments that LF recommends or acquires for the accounts of the client, and may engage in transactions that are the same as or different than transactions recommended to or made for the client’s accounts. Such transactions are permitted if effected, pre-cleared and reported in compliance with LF’s policy on personal securities transactions. Generally, personal securities transactions will not be pre-cleared when an order for the same or a related security is pending for the account of the client. LF’s Designated Principal reviews reports of personal transactions in securities by LF personnel quarterly or more frequently if required.</p> <p><u>Investment Policy</u></p> <p>None of LF’s investment adviser representatives may effect for himself or herself or for his or her immediate family (i.e. spouse, minor children, etc.; collectively, "Covered Persons") any transactions in a security which is being actively recommended to any of LF’s clients, unless in accordance with the following Firm Procedures.</p> <p><u>Firm Procedures</u></p> <p>In order to implement LF’s Investment Policy, the following procedures have been put into place with respect to LF and its Covered Persons:</p> <ol style="list-style-type: none"> <li>1. If the Firm is recommending that any of its clients buy any security, no Covered Persons may purchase that security prior to the client’s purchase of that security; and</li> <li>2. If the Firm is recommending that any of its clients sell any security, no Covered Persons may sell that security prior to the client’s sale of that security.</li> </ol> <p>It is the primary intent of the preceding procedures is to ensure that the best interests of the Firm’s clients are always served over that of the Firm’s. Trading by or on behalf of the Firm and/or its Covered Persons that results in the interests of the Firm or its Covered Persons being served over that of its clients could be considered a breach of the Firm’s fiduciary duty and thus, is aggressively discouraged.</p>

Item 11.A	<p>The Firm will review client accounts quarterly. The Designated Principal or his/her designee will review the client accounts for best execution, suitability, and service. The Designated Principal will review the performance and cost basis for the client's transactions. The client's objectives are used to review for suitability. Quarterly, transactions are reviewed referencing clients' objectives for any transaction that may not fit the client's stated objectives, or LF's understanding of the client's objectives will be flagged and reviewed with the investment adviser representative placing the trade.</p> <p>Events that may trigger further client account reviews in addition to the standard quarterly review process may include, but would not be limited to, a notable increase in the volume of requests by the client to effect transactions in his/her accounts, where such transactions may appear to be inconsistent with the client's previously stated investment objectives. Other factors may include requests by the client to liquidate certain securities positions/contracts where such transactions may appear to be inconsistent with the client's previously stated investment objectives. Additional triggering factors could be the performance on an individual account being an outlier to the performance of accounts with similar investment objectives, and a very important trigger would be customer complaints. This last trigger would be a prime example of a trigger for an intermittent review of a client account.</p> <p>Number of reviewers: 1  Name and title of Designated Principal: Alan LF, CEO/President/CCO. Mr. LF will employ the procedures noted above for the client's accounts subject to LF's investment advisory services.</p>
Item 11.B	<p>Statements will be provided no less frequently than quarterly by the custodian, not by LF.  Account statements will identify account positions, balances, and transaction details. Upon the client's request, a quarterly account appraisal may be created for the client as well as an annual year-end statement.</p>
Item 12.A	<p>LF may exercise discretion over the following areas:</p> <ol style="list-style-type: none"> <li>1) 12.A(1): The specific securities to be bought or sold on the client's behalf</li> <li>2) 12.A(2): The amount of securities to be bought or sold on the client's behalf</li> <li>3) 12.A(3): The particular broker or dealer to be used for arranging client securities transactions</li> </ol> <p>LF will have authority to exercise its full discretion on the above named factors without restriction. If done so on a non-discretionary basis, LF will make certain recommendations that must be authorized by the client prior to LF's facilitation of any such transactions that may have been recommended. LF will observe any other specific limitations that may be imposed by the client in relation to this discretionary authority.</p> <p>Transactions for the client's account generally will be effected independently, unless LF decides to purchase or sell the same securities for several clients at approximately the same time. LF may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable transaction rates. To the extent that LF elects to aggregate client orders for the purchase or sale of securities, including securities in which LF's principals and/or associated persons may invest, LF will generally do so in accordance with the parameters set forth in SEC No-Action Letter, <i>SMC Capital, Inc.</i> LF will not receive any additional compensation or remuneration as a result of the aggregation.</p>
Item 12.B	<p>From time to time, LF may refer the client to broker-dealers for the purposes of the effecting of securities transactions. For details as to what factors LF may consider in selecting such broker-dealers, see below.</p> <p>LF is not a broker-dealer. Unless the client directs otherwise, LF will generally recommend that all the client's accounts be maintained at, by, or through certain other firms that are unaffiliated with LF.</p> <p>Although not all-inclusive, LF may recommend the following brokers of record and their corresponding custodian:</p>

		<b>Broker of Record</b>	<b>Custodian</b>
		Fidelity Investments	National Financial Services, LLC
	Charles Schwab & Co., Inc.		
	<p>Factors that LF considers in recommending certain broker-dealers or custodians to clients may include such entity’s financial strength, reputation, execution, pricing, and service. In return for effecting securities transactions through certain broker-dealers/custodians, LF or certain of its representatives may receive certain support services that may assist LF in its investment decision-making process for all of LF’s clients.</p> <p>In seeking best execution, the determinative factor is not always the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer’s services, including factors such as execution capability, commission rates, and responsiveness. Accordingly, although LF will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for the client’s account transactions.</p> <p>The client may direct LF to use a particular broker-dealer (subject to LF’s right to decline and/or terminate the engagement) to execute some or all transactions for the client’s account. In such an event, the client will negotiate terms and arrangements for the account with that broker-dealer, and LF will not seek better execution services or prices from other broker-dealers or be able to “batch” the client’s transactions for execution through other broker-dealers with orders for other accounts managed by LF. As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.</p>		
Item 13.B	<b>Client Referrals</b> <p>LF may enter into agreements with various independent solicitors that refer clients to the advisor. LF does not charge clients introduced by third-parties fees or costs greater than the fees or costs LF charges its advisory clients who were not introduced by the third-party solicitors, and have similar portfolios under management with LF. Any such agreements must and be handled in accordance with the provisions of Rule 206(4)-3 under the Investment Advisers Act of 1940. For more information on our solicitor arrangements, please call (212) 991-9590.</p>		