

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

Name of Investment Adviser: <b>The J R BAKER GROUP</b>		
Address: <b>BUELLTON, CALIFORNIA</b>	Area Code: <b>805</b>	Telephone Number <b>- 688-8562</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 governmental authority.

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

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

1. **A Advisory Service 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	30%
<input checked="" type="checkbox"/>	(2)	Manages investment advisory accounts not involving investment supervisory services	30%
<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	10%
<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 the percentages are estimates.)

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

Yes	No
<input checked="" type="checkbox"/>	<input type="checkbox"/>

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

<input checked="" type="checkbox"/>	(1)	A percentage of assets under management	<input type="checkbox"/>	(4)	Subscription fees
<input checked="" type="checkbox"/>	(2)	Hourly Charges	<input checked="" 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 publications or report issued by the adviser on a subscription basis of for a fee
- Applicants 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
<input checked="" type="checkbox"/>	D.	Pension and profit sharing plans			

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

- |   |   |   |
|---|---|---|
| <b>A. Equity Securities</b>   | <input checked="" type="checkbox"/>                           | <b>H. United States government securities</b>     |
| <input checked="" type="checkbox"/> (1) Exchange listed securities                                    |   | <b>I. Options contracts on:</b>                   |
| <input checked="" type="checkbox"/> (2) Securities traded over the counter                            | <input type="checkbox"/> (1) securities                       |   |
| <input type="checkbox"/> (3) Foreign issuers  | <input type="checkbox"/> (2) commodities                      |   |
| <input checked="" type="checkbox"/> <b>B. Warrants</b>  |   | <b>J. Futures contracts on</b>                    |
| <input checked="" type="checkbox"/> <b>C. Corporate debt securities (other than commercial paper)</b> | <input type="checkbox"/> (1) Tangibles                        |   |
| <input type="checkbox"/> <b>D. Commercial paper</b>   | <input type="checkbox"/> (2) Intangibles                      |   |
| <input checked="" type="checkbox"/> <b>E. Certificates of Deposit</b>                                 |   | <b>K. Interests in partnerships investing in:</b> |
| <input checked="" type="checkbox"/> <b>F. Municipal Securities</b>                                    | <input checked="" type="checkbox"/> (1) Real Estate           |   |
| <b>G. Investment Company Securities</b>   | <input checked="" type="checkbox"/> (2) Oil and Gas Interests |   |
| <input checked="" type="checkbox"/> (1) Variable Life Insurance                                       | <input type="checkbox"/> (3) Other (explain on Schedule F)    |   |
| <input checked="" type="checkbox"/> (2) Variable Annuities  |   | <b>L. Other (explain on Schedule F)</b>           |
| <input checked="" type="checkbox"/> (3) Mutual Fund Shares  |   |   |

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

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

- |   |  |
|---|--|
| (1) <input checked="" type="checkbox"/> Charting    | (4) <input 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 checked="" 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 type="checkbox"/> Corporate rating services                        | (8) <input type="checkbox"/> Other (explain on Schedule F)  |

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

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

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Applicant  
**FFR FINANCIAL & INSURANCE SERVICES LLC**  
dba The J R BAKER GROUP

SEC File Number:  
801-

Date:  
**03/2010**

**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 or 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 proceeding 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, Schedule F.)

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

- ☐ A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- ☐ B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:
- |  |  |
|--|--|
| <input checked="" type="checkbox"/> (1) Broker-dealer  | <input type="checkbox"/> (7) Accounting firm                                       |
| <input type="checkbox"/> (2) Investment company  | <input type="checkbox"/> (8) Law firm  |
| <input checked="" type="checkbox"/> (3) Other investment adviser   | <input 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.)

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 clients
- ☒ 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 similarly termed services and impose a minimum dollar value of assets or other conditions for starting or maintaining an account? Yes ☒ No ☐

11. **Review of Accounts.** If applicant provides investment supervisory services, manages investment advisory accounts, or holds itself Out as providing financial planning or 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 reviews, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.

Client accounts are reviewed at least quarterly by a principal of the advisor or one of his staff. Material additions or subtractions to an account will trigger a portfolio review at that time. Portfolio asset allocation mixes are compared to each account's target asset allocation mix to ensure that asset allocations are within proper bounds. Mutual funds are checked against the firm's recommended list. Portfolios of individual securities, primarily managed by outside separate account managers, are evaluated against their objectives and suitability to the client. Additionally, suitability and investment experience are reviewed by the CCO or a designated person at the time each account is opened and periodically thereafter during routine examinations of individual offices and accounts. All transactions are reviewed by the CCO or a designated person on a daily basis. In addition, approximately 10% of all monthly statements are reviewed by the CCO or a designated person each month.

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

Clients are provided with a consolidated quarterly statement identifying all transactions, transaction amounts, portfolio holdings and portfolio holdings.

**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 type="checkbox"/>            | <input checked="" type="checkbox"/> |
| (4) Commission rates paid?   .....                         | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |

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

☒      ☐

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 applicants 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:

- |  | Yes                      | No                                  |
|--|--------------------------|-------------------------------------|
| 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? ..... | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| B. Directly or indirectly compensates any person for client referrals .....  | <input type="checkbox"/> | <input checked="" 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; 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 ☒

Applicant

**The J R BAKER GROUP**

SEC File Number:

801-

Date:

**03/2010**

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

1.	Full name of applicant as stated in Item 1A of Part I of Form ADV:	IRS Empl. Ident. No:
	<b>FFR FINANCIAL &amp; INSURANCE SERVICES, LLC. dba The J R BAKER GROUP</b>	<b>77-0440314</b>
Item of Form (identity)	Answer	
<b>1 D</b>	<b>ADVISORY SERVICES AND FEES</b>	
	<p>ADVISOR PROVIDES BOTH ASSET MANAGEMENT SERVICES AND FEE BASED FINANCIAL PLANNING SERVICES. WITH RESPECT TO THE ASSET MANAGEMENT SERVICES, ADVISOR MANAGES BOTH DISCRETIONARY AND NONDISCRETIONARY ACCOUNTS FOR ITS CLIENTS AND EXECUTES INVESTMENT RECOMMENDATIONS IN ACCORDANCE WITH ADVISOR'S STATEMENT OF INVESTMENT POLICY. UNDER THIS AUTHORITY, ADVISORY HAS AUTHORITY TO PURCHASE AND SELL SECURITIES AND INSTRUMENTS FOR THE CLIENT'S ACCOUNT, ARRANGE FOR DELIVERY AND PAYMENT IN CONNECTION WITH THE FOREGOING, AND ACT ON BEHALF OF A CLIENT IN ALL MATTERS NECESSARY OR INCIDENTAL TO THE HANDLING OF A CLIENT'S ACCOUNT, INCLUDING MONITORING CERTAIN ASSETS. UNLESS SPECIFICALLY DIRECTED OTHERWISE IN WRITING BY A CLIENT, ADVISOR IS AUTHORIZED TO RECEIVE AND VOTE PROXIES ON ISSUES HELD IN EACH ACCOUNT AND RECEIVE ANNUAL REPORTS. ALL TRANSACTIONS IN THE ACCOUNT SHALL BE MADE IN ACCORDANCE WITH THE DIRECTIONS AND PREFERENCES PROVIDED TO ADVISOR BY A CLIENT.</p>	
	<p>IN CERTAIN INSTANCES, ADVISOR'S SERVICES WILL INCLUDE OR BE LIMITED TO THE MONITORING OF THE PERFORMANCE OF CERTAIN INVESTMENTS IN CLIENT'S ACCOUNT. ADVISOR, IN THIS CAPACITY, MAY RECOMMEND CHANGES, PROVIDE THE CLIENT WITH REPORTS OR OTHER INFORMATION, AND PERIODICALLY REVIEW THE SUITABILITY OF THE INVESTMENT(S) FOR THE CLIENT. EXCEPT AS OTHERWISE INSTRUCTED BY CLIENT, CUSTODIAN WILL PROVIDE CLIENT, AT LEAST MONTHLY, A LIST OF ALL ASSETS HELD IN THE ACCOUNT, ASSET VALUES, AND ALL TRANSACTIONS AFFECTING THE ACCOUNT ASSETS, INCLUDING ANY ADDITIONS OR WITHDRAWALS.</p>	
	<p>ADVISOR WILL USE ITS BEST JUDGMENT AND GOOD FAITH EFFORTS IN RENDERING SERVICES TO ITS CLIENTS. ADVISOR CANNOT WARRANT OR GUARANTEE ANY PARTICULAR LEVEL OF ACCOUNT PERFORMANCE, OR THAT ACCOUNT WILL BE PROFITABLE OVER TIME. NOT EVERY INVESTMENT DECISION OR RECOMMENDATION MADE BY ADVISOR WILL BE PROFITABLE. CLIENT ASSUMES ALL MARKET RISK INVOLVED IN THE INVESTMENT OF THE ACCOUNT ASSETS UNDER THE TERMS OF THE INVESTMENT ADVISORY AGREEMENT. EXCEPT AS MAY OTHERWISE BE PROVIDED BY LAW, ADVISOR WILL NOT BE LIABLE TO CLIENT FOR (A) ANY LOSS THAT CLIENT MAY SUFFER BY REASON OF ANY INVESTMENT DECISION MADE OR OTHER ACTION TAKEN OR OMITTED IN GOOD FAITH BY ADVISOR WITH THAT DEGREE OF CARE, SKILL, PRUDENCE AND DILIGENCE UNDER THE CIRCUMSTANCES THAT A PRUDENT PERSON ACTING IN A FIDUCIARY CAPACITY WOULD USE; (B) ANY LOSS ARISING FROM ADVISOR'S ADHERENCE TO CLIENTS INSTRUCTIONS; OR (C) ANY ACT OR FAILURE TO ACT BY A CUSTODIAN OF CLIENTS ACCOUNT, EXCEPT AS MAY BE REQUIRED BY LAW. FEDERAL SECURITIES LAWS IMPOSE LIABILITIES UNDER CERTAIN CIRCUMSTANCES ON PERSONS WHO ACT IN GOOD FAITH AND THEREFORE, NOTHING HEREIN SHALL IN ANY WAY CONSTITUTE A WAIVER OR LIMITATION OF ANY RIGHTS WHICH THE CLIENT MAY HAVE UNDER ANY FEDERAL SECURITIES LAWS.</p>	
	<b>PORTFOLIO EVALUATION</b>	
	<p>ADVISOR'S CLIENTS INTERESTED IN PORTFOLIO EVALUATION SERVICES MAY WISH TO ARRANGE A FEE BASED ON THE PERCENTAGE OF THE SPECIFIED ASSETS. SUCH A FEE IS PAYABLE AT THE TIME THE SERVICES ARE PROVIDED FOR OR IN ARREARS. ALTHOUGH NEGOTIABLE, FEES GENERALLY RANGE FROM ONE TO TWO PERCENT. SUCH EVALUATIONS ARE GENERALLY AS OF A SPECIFIC POINT IN TIME AND MAY NOT PROVIDE FOR CONSTANT MONITORING. HOWEVER, INDIVIDUALS MAY ARRANGE FOR ONGOING INVESTMENT ADVISORY OR FINANCIAL PLANNING SERVICES INCLUDING EVALUATIONS, CONSULTATIONS, AND/OR RECORD MAINTENANCE. FEES FOR THIS SERVICE ARE FULLY NEGOTIABLE AND ARE GENERALLY PAID AT THE TIME OF SERVICE. ARRANGEMENTS MAY BE MADE TO PAY QUARTERLY IN ADVANCE OR IN ARREARS. FEES FOR RECORD MAINTENANCE EXCLUSIVELY GENERALLY RANGE FROM 25 TO 35 BASIS POINTS OF TOTAL PORTFOLIO ASSETS.</p>	

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### Investment Consulting Program and Services

ADVISOR OFFERS VARIOUS INVESTMENT CONSULTING SERVICES AS PART OF ITS INVESTMENT MANAGEMENT PROGRAM. THESE SERVICES PROVIDE MUTUAL FUND ASSET ALLOCATION UTILIZING BOTH "NO LOAD" AND CERTAIN "LOAD" MUTUAL FUNDS PURCHASED AT NET ASSET VALUE AND/OR WITHOUT DEDUCTION FOR SALES CHARGES AS WELL AS INVESTMENTS IN INDIVIDUAL SECURITIES. INVESTMENT CONSULTING SERVICE BEGINS WITH A SERIES OF MEETINGS BETWEEN THE ADVISOR AND THE CLIENT TO REVIEW THE CLIENT'S LONG TERM GOALS AND OBJECTIVES. THESE MEETINGS INCLUDE DISCUSSIONS ON THE CLIENT'S CURRENT FINANCIAL SITUATION, STATED GOALS FOR INVESTMENT ASSETS, RISK TOLERANCE, TIME HORIZON, LIQUIDITY NEEDS AND SO FORTH. ONCE THESE DISCUSSIONS HAVE TAKEN PLACE, THE CLIENT IS ASKED TO FILL OUT A CONFIDENTIAL PROFILE QUESTIONNAIRE THAT BECOMES THE GUIDELINES FOR INVESTMENT POLICY AND RECOMMENDATIONS. INVESTMENT DECISIONS ARE BASED ON A PERCENTAGE ALLOCATION OF INVESTMENT CLASSES AS DESCRIBED IN THE INVESTMENT POLICY STATEMENT, AND ARE REVIEWED AT LEAST ANNUALLY. REALLOCATING AND REBALANCING IN THE PORTFOLIO MAY BE DEEMED NECESSARY TO MEET THE CLIENT'S NEEDS AND OBJECTIVES AS DEFINED BY THE INVESTMENT POLICY QUESTIONNAIRE. ADVISOR RETAINS THE RIGHT TO USE DISCRETION IN THE PURCHASE AND SALE OF MUTUAL FUNDS, STOCKS AND BONDS, AND VARIABLE ANNUITY SUB-ACCOUNTS AS PART OF ITS INVESTMENT CONSULTING PROGRAM.

IN ADDITION TO STANDARD BROKERAGE CONFIRMATIONS AND STATEMENTS, CLIENTS ARE PROVIDED TRANSACTION CONFIRMATIONS AND PORTFOLIO EVALUATIONS ON A QUARTERLY BASIS. ADDITIONALLY, CLIENTS MAY RECEIVE INFORMATION AND COMPARABLE MARKET INDICES DETAILING THE PERFORMANCE OF THE MUTUAL FUNDS HELD IN THE PORTFOLIO.

UNDER CERTAIN INVESTMENT CONSULTING PROGRAMS, ADVISOR MAY, ON OCCASION, RECOMMEND THAT ALL OR A PORTION OF THE ASSETS IN A CLIENT'S ACCOUNT BE MANAGED BY A THIRD-PARTY MONEY MANAGER OR SUB-ADVISOR. THIRD-PARTY MONEY MANAGEMENT AND SUB-ADVISORY FEES WILL BE PAID BY ADVISOR FROM ITS ADVISORY FEES. CLIENT WILL BE NOTIFIED IF THE TOTAL FEES CHARGED BY ADVISOR AND THE SUB-ADVISOR RESULT IN INCREASED FEES TO CLIENT. IN ALL DISCRETIONARY ACCOUNTS, EXCEPT TO THE EXTENT THE CLIENT DIRECTS OTHERWISE, ADVISOR IS AUTHORIZED TO USE ITS DISCRETION IN SELECTING OR CHANGING A SUB-ADVISOR TO THE ACCOUNT WITHOUT PRIOR NOTICE TO THE CLIENT. CLIENT MAY BE REQUIRED TO EXECUTE A LIMITED POWER OF ATTORNEY WITH A THIRD-PARTY MONEY MANAGER OR SUB-ADVISOR SELECTED BY ADVISOR. EACH RESPECTIVE MANAGER'S OR SUB-ADVISOR'S FORM ADV PART II IS PROVIDED TO A CLIENT UPON REQUEST OR AS REQUIRED BY FEDERAL OR STATE LAW.

CLIENT'S ACCOUNT VALUE WILL BE CALCULATED BASED ON SHARE VALUES FROM SOURCES ADVISOR DEEMS RELIABLE, INCLUDING INDEPENDENT PRICING SERVICE AGENCIES, CUSTODIANS, MUTUAL FUND COMPANIES, AND INTERNET QUOTE SITES. IN THE INSTANCE OF SECURITIES FOR WHICH NO READILY AVAILABLE MARKET EXISTS, ADVISOR MAY VALUE A SECURITY AT ITS INITIAL PURCHASE PRICE OR ITS MOST RECENT HISTORIC VALUATION. FEES CHARGED TO CLIENT CAN BE A SPECIFIC DOLLAR AMOUNT BUT GENERALLY THE FEE IS BASED ON THE VALUE OF ASSETS IN THE ACCOUNTS FOR WHICH SERVICES WILL BE PROVIDED TO CLIENT BY THE ADVISOR. IN CALCULATING THIS FEE, ONE OF THREE DIFFERENT METHODOLOGIES MAY BE EMPLOYED DEPENDING ON THE TYPES OF SERVICES BEING ACCESSED AND THE CLIENT'S PREROGATIVES. THE FIRST METHOD MULTIPLIES THE MARKET VALUE OF A CLIENT'S ACCOUNT BY AN ANNUAL PERCENTAGE RATE. WHEREAS THE ANNUAL RATE IS NEGOTIABLE, THE RATE CANNOT EXCEED 3.0%.

#### SECOND METHOD - TIERED

LESS THAN \$250,000	3.00%
NEXT \$250,001 TO \$750,000	2.75%
NEXT \$750,000 TO \$1,750,000	2.50%
NEXT \$1,750,000 TO \$5,000,000	2.25%
OVER \$5,000,000	2.00%

EXAMPLE: \$1,000,000 ASSET VALUE: \$250,000 @ 3% + \$750,000 @ 2.75% =  
\$7500 + \$20,625 = \$28,125/YEAR OR \$7312/QUARTER



Applicant <b>The J R BAKER GROUP</b>	SEC File Number: 801-	Date: <b>03/2010</b>
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THE THIRD METHOD CALCULATES VARIOUS TYPES OF CHARGES THAT MAY BE APPLIED TO SOME OR ALL OF THE ACCOUNTS OF THE CLIENT. THE RESULTING TOTAL OF THESE CHARGES BECOMES THE PRO RATA FEE CLIENT AGREES TO PAY QUARTERLY. THE VARIOUS TYPES OF POTENTIAL CHARGES ARE:

1. ADVISORY CHARGES
2. ADMINISTRATION CHARGES
3. MONITORING CHARGES

IN THE CALCULATION OF THESE VARIOUS CHARGES, TABLES ARE EMPLOYED IN A SIMILAR MANNER TO THE SECOND METHOD AS DESCRIBED ABOVE, I.E., THE MARKET VALUE OF THE CLIENT'S TOTAL PORTFOLIO VALUE THAT FALLS WITHIN SPECIFIED RANGES ARE MULTIPLIED BY CORRESPONDING FEE PERCENTAGES. HOWEVER IN SOME INSTANCES BECAUSE CERTAIN SUB-ADVISORY RELATIONSHIPS ARE INVOLVED OR BECAUSE OF THE NATURE OF THE ACCOUNT (I.E. EQUITY VS. FIXED INCOME), DIFFERENT ACCOUNTS OF CLIENT MAY BE SUBJECT TO THE SAME TYPE OF CHARGE BUT DIFFERENT FEE PERCENTAGES APPLY. ACCOUNTS OF CLIENT SUBJECT TO ANY CHARGE ARE SPECIFICALLY IDENTIFIED IN ADDENDUM B OF THE ADVISORY AGREEMENT.

**CHARGES FOR ADVISORY SERVICES:** ADVISORY SERVICES INCLUDE THOSE OF APPLICANT'S ADVISORY STAFF, ITS REPRESENTATIVES, SUB-ADVISORS AND THIRD-PARTY MONEY MANAGERS. WHEREAS THE FEE PERCENTAGES WITHIN THE TABLE ARE NEGOTIABLE, THE MAXIMUM CHARGES FOR ADVISORY SERVICES CANNOT EXCEED THOSE AS CALCULATED PER THE FOLLOWING TABLE:

Less than \$250,000	.50%
\$250,001 to \$750,000	.40%
\$750,001 to \$1,750,000	.30%
\$1,750,000 to \$5,000,000	.20%
Over \$5,000,001	.10%

FEEES FOR THIRD PARTY MANAGERS ARE DETERMINED BY THE SPECIFIC PARTY AS DISCLOSED IN THAT MANAGERS DISCLOSURE DOCUMENT. APPLICANT MAY SHARE IN THIRD PARTY MANAGERS FEE.

WHEN CALCULATING THIS CHARGE IN THE INSTANCE OF MULTIPLE ACCOUNTS BEING SUBJECT TO THIS CHARGE, THE TOTAL VALUE OF ALL ACCOUNTS IS APPLIED TO THE TABLE TO DETERMINE THE CHARGE CLIENT AGREES TO PAY. A MINIMUM ANNUAL FEE OF \$500 APPLIES TO THIS CATEGORY OF CHARGES.

IN THE INSTANCE OF MULTIPLE ACCOUNTS BEING SUBJECT TO THIS CHARGE, A CALCULATION BASED ON THIS TABLE IS APPLIED SEPARATELY TO EACH ACCOUNT. THE RESULTING TOTAL OF THESE MULTIPLE CALCULATIONS BECOMES THE CHARGE CLIENT AGREES TO PAY.

**CHARGES FOR MONITORING SERVICES:** CHARGES FOR THIS CATEGORY, PRORATED AND PAYABLE QUARTERLY, ARE CALCULATED BY MULTIPLYING THE MARKET VALUE OF APPLICABLE ACCOUNTS BY A MAXIMUM FEE RATE OF .25%.

DUE TO THE COMPLEXITY IN MANAGING CERTAIN CLIENT PORTFOLIOS, ADVISORY FEES MAY EXCEED 3%. IN COMPLYING WITH ITS FIDUCIARY DUTIES AND AS REQUIRED BY FEDERAL LAW, ADVISOR DISCLOSES TO CLIENT THAT SIMILAR ADVISORY SERVICES MAY BE OBTAINED ELSEWHERE AT A COMPETITIVE RATE OR A LOWER FEE.

NO ADDITIONAL FEE FOR THE CURRENT QUARTER WILL BE ASSESSED IF ASSETS ARE DEPOSITED AFTER THE BEGINNING OF THE QUARTER. NO FEE WILL BE CREDITED CLIENT FOR THE CURRENT CALENDAR QUARTER SHOULD ANY WITHDRAWALS FROM THE ACCOUNT OCCUR IN THE SAME CALENDAR QUARTER.

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CLIENT FURTHER UNDERSTANDS THAT THE FEE DESCRIBED HEREIN COMPENSATES ADVISOR FOR ACCOUNT MANAGEMENT AND REPORTING SERVICES ONLY AND IS SEPARATE FROM OTHER COMPENSATION PAID BY MUTUAL FUND COMPANIES. CLIENT UNDERSTANDS THAT THE MUTUAL FUNDS, ANNUITIES OR INDEX-BASED DEPOSITORY RECEIPTS PURCHASED FOR CLIENT'S ACCOUNT MAY BE PURCHASED DIRECTLY FROM THE SPONSOR OR EXCHANGE WITHOUT AN ADVISORY FEE. HOWEVER, IN THE EVENT OF A DIRECT PURCHASE, A SALES CHARGE MAY APPLY AND CLIENT WOULD NOT RECEIVE THE SERVICES DESCRIBED HEREIN.

**FEE BASED FINANCIAL PLANNING**

ADVISOR WILL MEET WITH THE FINANCIAL PLANNING CLIENT FOR THE PURPOSE OF ELICITING ALL PERTINENT FINANCIAL INFORMATION. THEN, A COMPREHENSIVE ANALYSIS WILL BE UNDERTAKEN. THE FINAL PLAN WILL INCLUDE WEALTH STRATEGIES, AND THE ADVISOR WILL ALSO DESIGN AN ENGAGEMENT AGREEMENT. THE FEE WILL BE A FLAT FEE OF BETWEEN \$100 AND \$300,000. THE ACTUAL FEE WILL BE DIRECTLY DEPENDENT UPON THE FACTS AND CIRCUMSTANCES OF THE CASE AS WELL AS UPON THE ANTICIPATED COMPLEXITY OF THE CASE. A RETAINER FEE WILL BE PAYABLE PRIOR TO THE COMMENCEMENT OF WORK. NO FEE IS BASED UPON CAPITAL GAINS OR THE CAPITAL APPRECIATION OF ASSETS. ALL FEES SHALL BE NEGOTIABLE. ANY UNEARNED OR UNAPPLIED ADVISORY FEES WILL BE REFUNDED AT ONCE BY THE ADVISOR TO THE ADVISORY CLIENT.

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**METHODS OF ANALYSIS, SOURCES OF INFORMATION, AND IN VESTMENT STRATEGIES**

ADVISOR OFFERS INVESTMENT CONSULTING SERVICES UTILIZING ASSET ALLOCATION MODELS DEVELOPED BY ADVISOR AND OTHER NON-AFFILIATED INDEPENDENT SERVICE PROVIDERS. THE PROGRAM IS DESIGNED TO OFFER CLIENTS A DIVERSIFIED LONG TERM APPROACH TO THEIR PERSONAL INVESTMENT GOALS AND OBJECTIVES THROUGH ASSET ALLOCATION, RE-BALANCING, MONITORING, SUPERVISION, CONSOLIDATED REPORTING AND PERIODIC RECOMMENDATIONS. THE FOCUS OF RECOMMENDATIONS MADE BY ADVISOR IS DIRECTED PRIMARILY TOWARD ASSISTING THE CLIENT IN A DIVERSIFIED PORTFOLIO OF INVESTMENTS WITH THE RISK AND RETURN CHARACTERISTICS CONSISTENT WITH THOSE DESIRED BY THE CLIENT. THIS STRATEGY MAY INCLUDE EVALUATION OF THE CLIENT'S CURRENT ALLOCATION OF ASSETS AMONG OR WITHIN VARIOUS BROAD CATEGORIES, AND MAY INVOLVE RECOMMENDATIONS TO REPOSITION ASSETS MORE IN LINE WITH THE CLIENT'S LONG TERM GOALS AND OBJECTIVES.

ADVISOR PROVIDES INVESTMENT ADVISORY SERVICE IN THE AREA OF NON-PUBLIC ALTERNATIVE INVESTMENTS TO CERTAIN SOPHISTICATED AND ACCREDITED INVESTORS AS THOSE TERMS ARE DEFINED UNDER FEDERAL AND STATE LAW.

ADVISORY SERVICES FOR PERFORMANCE FEE ACCOUNTS INCLUDE THE SELECTION, MONITORING AND REPORTING OF PRIVATE EQUITY INVESTMENTS IN LIMITED PARTNERSHIPS AND OTHER COMPANIES THAT MAY MAKE EQUITY INVESTMENTS. SERVICES ARE ONLY OFFERED TO HIGHLY SOPHISTICATED, ACCREDITED INVESTORS, FOR A FEE BASED ON THE PERFORMANCE OF THE RECOMMENDED INVESTMENTS ACQUIRED BY THE CLIENT FOR ITS ACCOUNTS.

ADVISOR WILL ONLY APPLY PERFORMANCE-BASED ON PRIVATE PLACEMENTS, OR OTHER INVESTMENTS WITHOUT READILY AVAILABLE MARKET QUOTATIONS, BASED ON REALIZED CAPITAL GAINS

ADVISOR WILL ALSO PROVIDE ADVICE TO CERTAIN ACCREDITED INVESTORS RELATING TO THE FOLLOWING:

- 1) PARTNERSHIPS AND OTHER ENTITIES INVESTING IN VENTURE CAPITAL, CORPORATE RESTRUCTURES, LEVERAGED BUYOUTS AND DIRECT EQUITY INVESTMENTS; AND
- 2) PRIVATE EQUITY INVESTMENTS PARTICIPATING DIRECTLY IN COMPANIES OR OTHER BUSINESSES WHICH PROVIDE EQUITY FOR VENTURE CAPITAL, CORPORATE RESTRUCTURES, LEVERAGED BUYOUTS, AND DIRECT EQUITY INVESTMENTS

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ADVISOR WILL, ON OCCASION, RECOMMEND THAT ALL OR A PORTION OF THE ASSETS IN A CLIENT'S ACCOUNT BE MANAGED BY A THIRD-PARTY MONEY MANAGER OR SUB-ADVISOR. THIRD-PARTY MONEY MANAGEMENT AND SUB-ADVISORY FEES WILL BE PAID BY ADVISOR FROM ITS ADVISORY FEES. CLIENT WILL BE NOTIFIED IF THE TOTAL FEES CHARGED BY ADVISOR AND THE SUB-ADVISOR RESULT IN INCREASED FEES TO CLIENT. IN ALL DISCRETIONARY ACCOUNTS, EXCEPT TO THE EXTENT THE CLIENT DIRECTS OTHERWISE, ADVISOR IS AUTHORIZED TO USE ITS DISCRETION IN SELECTING OR CHANGING A SUB-ADVISOR TO THE ACCOUNT WITHOUT PRIOR NOTICE TO THE CLIENT. CLIENT MAY BE REQUIRED TO EXECUTE A LIMITED POWER OF ATTORNEY WITH A THIRD-PARTY MONEY MANAGER OR SUB-ADVISOR SELECTED BY ADVISOR. ONE SUCH SUB-ADVISOR IS FRONTIER ASSET MANAGEMENT OF WHICH PRINCIPALS OF APPLICANT HAVE AN OWNERSHIP INTEREST.

ASSET MANAGEMENT CLIENTS, WHO ARE SUBJECT TO ERISA, ARE PROVIDED A WRITTEN INVESTMENT POLICY STATEMENT. ADVISOR AND ITS SUB-ADVISORS AGREE TO ACT IN A 'FIDUCIARY CAPACITY' AND AS AN 'INVESTMENT MANAGER' AS THOSE TERMS ARE DEFINED UNDER ERISA.

**6 Education and Business Standards**

NAME: JOEL BAKER MANAGING DIRECTOR  
BORN: JUNE 27, 1946  
EDUCATION: FT LEWIS COLLEGE DURANGO, COLORADO BA - 1968  
WORK: 12/2008 PRESENT ARETE WEALTH MANAGEMENT  
07/1999 TO 12/2008 THE PRIVATE CONSULTING GROUP INC.  
07/2000 TO 12/2008 NFP SECURITIES INC.  
08/1996 TO PRESENT FFR FINANCIAL & INSURANCE SERVICES, LLC

NAME: KATHRYN COURAIN OPERATIONS MANAGER AND CCO  
BORN: JANUARY 6, 1970  
EDUCATION: CALIFORNIA POLYTECH SAN LUIS OBISPO BS – BUSINESS ADMINISTRATION 1991  
WORK: 12/2008 PRESENT ARETE WEALTH MANAGEMENT  
03/2001 TO 12/2008 THE PRIVATE CONSULTING GROUP, INC.  
08/1996 TO PRESENT FFR FINANCIAL & INSURANCE SERVICES, LLC

**7 A** JOEL BAKER AND KATHRYN COURAIN ARE REGISTERED REPRESENTATIVES OF ARETE WEALTH MANAGEMENT A FINRA REGISTERED BROKER DEALER AND REGISTERED INVESTMENT ADVISER.

**7 B** JOEL BAKER IS LICENSED TO SELL INSURANCE PRODUCTS AS WELL AS BEING A REGISTERED REPRESENTATIVE OF ARETE WEALTH MANAGEMENT LICENSED BROKER-DEALERS FOR WHICH HE IS ABLE TO SELL SECURITIES PRODUCTS. REPRESENTATIVES MAY RECEIVE COMMISSIONS FOR SELLING INSURANCE AND/OR SECURITIES PRODUCTS. SUCH COMMISSIONS ARE IN ADDITION TO ANY FEES RECEIVED FOR ADVISORY SERVICES. CLIENTS ARE NOT REQUIRED TO PURCHASE ANY PRODUCTS.

**8(c)3** BAKER ALASKA, LLC ("BAKER ALASKA") OWNS APPROXIMATELY 7% OF FRONTIER ASSET MANAGEMENT, LLC ("FRONTIER"). JOEL BAKER IS THE SOLE MANAGER OF BAKER ALASKA. BAKER ALASKA IS WHOLLY OWNED BY BAKER ALASKA IRREVOCABLE TRUST. MR. BAKER MAY BE DEEMED TO HAVE A BENEFICIAL INTEREST IN THAT TRUST. ON OCCASION, APPLICANT RECOMMENDS THE INVESTMENT MANAGEMENT SERVICES OF FRONTIER TO ITS CLIENTS. APPLICANT BELIEVES THAT SUCH RECOMMENDATIONS ARE MADE BASED SOLELY ON THE BEST INTERESTS OF ITS CLIENTS AND ARE NOT INFLUENCED BY MR. BAKER'S INTEREST IN FRONTIER.

**9** REPRESENTATIVES OF APPLICANT ARE REGISTERED REPRESENTATIVES OF LICENSED BROKER-DEALERS AND MAY RECEIVE COMMISSIONS FOR THE SALE OF INVESTMENT PRODUCTS. COMMISSIONS ARE IN ADDITION TO ANY FEES CHARGED FOR ADVISORY SERVICES. CLIENTS ARE NOT REQUIRED TO PURCHASE PRODUCTS FROM REPRESENTATIVES OF APPLICANT.

APPLICANT REQUIRES ALL PERSONNEL TO SUBSCRIBE TO A STRICT CODE OF CONDUCT THAT REQUIRES THE INTEREST OF THE CLIENT BE FIRST IN ALL SITUATIONS. COPIES OF THE CODE OF CONDUCT ARE AVAILABLE UPON REQUEST.

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12	<p>BAKER ALASKA, LLC ("BAKER ALASKA") OWNS APPROXIMATELY 7% OF FRONTIER ASSET MANAGEMENT, LLC ("FRONTIER"). JOEL BAKER IS THE SOLE MANAGER OF BAKER ALASKA. BAKER ALASKA IS WHOLLY OWNED BY BAKER ALASKA IRREVOCABLE TRUST. MR. BAKER MAY BE DEEMED TO HAVE A BENEFICIAL INTEREST IN THAT TRUST. ON OCCASION, APPLICANT RECOMMENDS THE INVESTMENT MANAGEMENT SERVICES OF FRONTIER TO ITS CLIENTS. APPLICANT BELIEVES THAT SUCH RECOMMENDATIONS ARE MADE BASED SOLELY ON THE BEST INTERESTS OF ITS CLIENTS AND ARE NOT INFLUENCED BY MR. BAKER'S INTEREST IN FRONTIER.</p> <p>ADVISOR WILL EXECUTE, CLEAR AND SETTLE TRANSACTIONS WITH FIRMS THAT ARE REGISTERED UNDER THE SECURITIES AND EXCHANGE ACT OF 1934 AS BROKER-DEALERS. IN SELECTING BROKERS TO EXECUTE TRANSACTIONS, ADVISOR NEED NOT SOLICIT COMPETITIVE BIDS AND DOES NOT HAVE AN OBLIGATION TO SEEK THE LOWEST AVAILABLE COMMISSIONS COST. IT IS NOT ADVISOR'S PRACTICE TO NEGOTIATE "EXECUTION ONLY" COMMISSION RATES, THUS, ADVISOR MAY BE DEEMED TO BE PAYING FOR OTHER PRODUCTS AND SERVICES PROVIDED BY THE BROKER WHICH ARE INCLUDED IN THE COMMISSION RATE. BASED ON ADVISOR'S KNOWLEDGE OF THE INDUSTRY, ADVISOR WILL ATTEMPT TO HAVE BROKERAGE ARRANGEMENTS COMPETITIVE WITH SIMILARLY SITUATED COMPANIES.</p>
13A	<p>JOEL BAKER AND KATHRYN COURAIN ARE REGISTERED REPRESENTATIVES OF ARETE WEALTH MANAGEMENT A FINRA REGISTERED BROKER DEALER AND REGISTERED INVESTMENT ADVISER.</p> <p>BAKER ALASKA, LLC ("BAKER ALASKA") OWNS APPROXIMATELY 7% OF FRONTIER ASSET MANAGEMENT, LLC ("FRONTIER"). JOEL BAKER IS THE SOLE MANAGER OF BAKER ALASKA. BAKER ALASKA IS WHOLLY OWNED BY BAKER ALASKA IRREVOCABLE TRUST. MR. BAKER MAY BE DEEMED TO HAVE A BENEFICIAL INTEREST IN THAT TRUST. ON OCCASION, APPLICANT RECOMMENDS THE INVESTMENT MANAGEMENT SERVICES OF FRONTIER TO ITS CLIENTS. APPLICANT BELIEVES THAT SUCH RECOMMENDATIONS ARE MADE BASED SOLELY ON THE BEST INTERESTS OF ITS CLIENTS AND ARE NOT INFLUENCED BY MR. BAKER'S INTEREST IN FRONTIER.</p> <p>AS STATED ABOVE, APPLICANT RECOMMENDS THE INVESTMENT MANAGEMENT SERVICES OF FRONTIER TO CERTAIN OF ITS CLIENTS. CUSTODY OF THE ASSETS MANAGED BY FRONTIER IS OFTEN MAINTAINED AT FIDELITY INSTITUTIONAL WEALTH SERVICES ("FIDELITY"). FRONTIER MAY INITIATE PURCHASES OF MUTUAL FUND SHARES FOR CLIENT ACCOUNTS AT "NET ASSET VALUE," WHICH MEANS THAT NO TRANSACTION FEE WILL BE INCURRED WITH RESPECT TO THE TRANSACTION. FUNDS THAT PARTICIPATE IN FIDELITY'S "NO TRANSACTION FEE" PROGRAM PAY FIDELITY A FEE FOR THE RIGHT TO PARTICIPATE. WHEN FRONTIER BUYS MUTUAL FUND SHARES AT NET ASSET VALUE, A PORTION OF THE FEE PAID BY THE MUTUAL FUND TO FIDELITY IS PAID BY FIDELITY TO FRONTIER. IN SUCH CASES, FRONTIER WILL CREDIT THE AMOUNT RECEIVED AGAINST THE INVESTMENT MANAGEMENT FEES OWED TO IT BY THE CLIENT.</p>

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