

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

OMB Number: 3235-0049  
Expires: February 28, 2011  
Estimated Average burden  
Hours per response.....4.07

Name of Investment Adviser: Centaurus Financial Inc.						
Address:	(Number and Street)	(City)	(State)	(Zip Code)	Area Code:	Telephone Number:
	2300 East Katella, Suite 200	Anaheim	Ca	92806	(714)	456-1790

**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.**

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(Schedule 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.

Applicant: **Centaurus Financial Inc.**

SEC File Number:

801- **56882**

Date:

**09/02/2008**

**1. A. Advisory Services and Fees.** (check the applicable boxes)

For each type of service provided, state the approximate % of total advisory billings from that service. (See instruction below.)

**Applicant:**

- |   |  |           |   |
|---|--|-----------|---|
| <input checked="" type="checkbox"/> (1) | Provides investment supervisory services .....   | <u>15</u> | % |
| <input checked="" type="checkbox"/> (2) | Manages investment advisory accounts not involving investment supervisory services.....  | <u>10</u> | % |
| <input checked="" type="checkbox"/> (3) | Furnishes investment advice through consultations not included in either service described above...  | <u>50</u> | % |
| <input type="checkbox"/> (4)            | Issues periodicals about securities by subscription .....  |           | % |
| <input type="checkbox"/> (5)            | Issues special reports about securities not included in any service described above.....   |           | % |
| <input checked="" 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..... | <u>10</u> | % |
| <input checked="" type="checkbox"/> (7) | On more than an occasional basis, furnishes advice to clients on matters not involving securities...   | <u>10</u> | % |
| <input checked="" type="checkbox"/> (8) | Provides a timing service .....  | <u>5</u>  | % |
| <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 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 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 checked="" type="checkbox"/> B. Banks or thrift institutions     | <input checked="" type="checkbox"/> F. Corporations or business entities other than those listed above |
| <input type="checkbox"/> C. Investment companies                        | <input type="checkbox"/> G. Other (describe on Schedule F)   |
| <input checked="" type="checkbox"/> D. Pension and profit sharing plans |  |

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

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

- |  |  |
|--|--|
| <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 type="checkbox"/> B. Warrants   | <input type="checkbox"/> J. Futures contracts on:                          |
| <input checked="" type="checkbox"/> C. Corporate debt securities (other than commercial paper) | <input type="checkbox"/> (1) tangibles                                     |
| <input checked="" type="checkbox"/> D. Commercial paper  | <input type="checkbox"/> (2) intangibles                                   |
| <input checked="" type="checkbox"/> E. Certificates of deposit                                 | <input 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 checked="" 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 checked="" type="checkbox"/> Charting    | (4) <input checked="" type="checkbox"/> Cyclical                      |
| (2) <input checked="" type="checkbox"/> Fundamental | (5) <input checked="" type="checkbox"/> Other (explain on Schedule F) |
| (3) <input checked="" type="checkbox"/> Technical   |   |

B. The main sources of information applicant uses include: (check those that apply)

- |   |  |
|---|--|
| (1) <input checked="" type="checkbox"/> Financial newspapers and magazines    | (5) <input checked="" type="checkbox"/> Timing services                                |
| (2) <input type="checkbox"/> Inspections of corporate activities              | (6) <input checked="" type="checkbox"/> Annual reports, prospectuses, filings with the |
| (3) <input checked="" type="checkbox"/> Research materials prepared by others | Securities and Exchange Commission   |
| (4) <input checked="" type="checkbox"/> Corporate rating services             | (7) <input checked="" type="checkbox"/> Company press releases                         |
|   | (8) <input checked="" 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 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 checked="" type="checkbox"/> Other (explain on Schedule F)  |
| (4) <input checked="" type="checkbox"/> Short sales  |  |

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

Applicant: Centaurus Financial Inc.

SEC File Number:  
801- 56882

Date:  
09/02/2008

**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, please 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 clients (if more than five, respond only for their supervisors)
- each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

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

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

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

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

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

- ☒ A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- ☐ B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- ☐ C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:
- |  |  |
|--|--|
| <input checked="" type="checkbox"/> (1) broker-dealer  | <input type="checkbox"/> (7) accounting firm                                       |
| <input type="checkbox"/> (2) investment company  | <input type="checkbox"/> (8) law firm  |
| <input checked="" type="checkbox"/> (3) other investment adviser   | <input checked="" type="checkbox"/> (9) insurance company or agency                |
| <input checked="" type="checkbox"/> (4) financial planning firm  | <input checked="" 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)**

Applicant: Centaurus Financial Inc.

SEC File Number:  
801-56882

Date:  
09/02/2008

**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 sell for itself securities it also recommended 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 advisory 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 condition 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 account, 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 11A of Schedule F

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

See 11B of Schedule F

Applicant: Centaurus Financial Inc.

SEC File Number:  
801-56882

Date:  
09/02/2008

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

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

Applicant:  
Centaurus Financial Inc.

SEC File Number:  
801- 56882

Date:  
09/02/2008

(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:

Centaurus Financial, Inc.

IRS Empl. Ident. No.:

33-0530236

Item of Form (identify)	Answer
1A(1), (3) and (7)	<p><b>Item 1D [Explanation of Item 1A (1),(3) and (7) Advisory Services and Fees]</b></p> <p>1A (1-3), (7) Centaurus Financial Inc., ("Centaurus") is also a securities broker dealer and as such provides contract services to licensed securities representatives. As a broker-dealer, Centaurus provides due diligence and clears selected products which are sold by registered representatives who may also be associated with Centaurus' registered investment advisory service ("Advisory Associates"). The Client of an Advisory Associate (AA) may pay both a fee <b>and</b> a commission during the development and implementation of a financial plan should the Client choose to implement his recommendations through Centaurus and the AA acting in the capacity of /as a registered representative.</p> <p><b>1A(3) and (7)</b></p> <p>Centaurus and its Advisory Associates will provide a variety of investment advisory services to Clients. Some are referred to as financial planning, while others are referred to as market timing or asset management as described below. The specific types of investment advisory services to be provided to any particular Client will be stated in the contract Centaurus has with the Client and will depend upon the client's needs and requests. The types of financial planning advice may include some, all or none of the following services: (1) Investment recommendations consistent with an individual Client's financial and tax status and risk/reward objectives; (2) Tax planning or advice; (3) Estate planning; (4) Employee benefit planning; (5) Corporate planning; (6) Insurance planning (this advice will be provided at no charge to the Client where prohibited by state statute); (7) Asset management/market timing.</p>
1D	<p><b>Item 1(D) - Description of Advisory Services and Fees Checked in 1A</b></p> <p>It is possible under certain circumstances that the fee for financial planning services with a Client may be negotiated. In any event, the fee structure and an estimate of the fee to be charged to any Client will be agreed upon by the Client prior to any financial planning services being provided by Centaurus.</p> <p>The recommendations provided in any of the financial planning services will be valid as of the date(s) provided and will not be valid for any period beyond that (those) date(s).</p> <p>It is possible that because many different individuals in many different locations will be making financial planning recommendations to clients, recommendations made to any one Client may be contrary to or exactly the opposite of recommendations made to other Clients.</p> <p>Pursuant to California Rule 260.235.2, an investment adviser shall deliver to a financial planning client written notice of a conflict of interest between the financial adviser or an associate of the financial adviser and the financial planning client (Client). A conflict exists between the interests of the investment adviser or associated persons and the interest of the Client if the investment adviser or associate of the investment adviser receives a commission from the sale of insurance, real estate or other compensation from the sale of securities or other products recommended in the financial plan. However, a conflict of interest will not be found if the investment adviser or an affiliate to the advisor does not receive any fees, commissions or other compensation from the sale of such securities, real estate or other product or services. The Client is under no obligation to act upon any recommendations made by the financial advisor or an associate of the advisor. If the Client chooses to act on the advice of an advisor or an associate of the advisor, the Client is not obligated to effect the transaction through the investment adviser, or the associated person when: the associated person is an agent of a licensed broker-dealer; licensed as a broker-dealer; or through any associate or affiliate of such person.</p> <p>1 A (3) - 1 D Centaurus utilizes Pershing LLC, a member of BNY Securities Group and a subsidiary of the Bank of New York who acts principally as a clearing broker to offer advisory service solutions to Clients of Centaurus. These services are respectively referred to as "CLASSIC Plus". Additionally, Centaurus utilizes its clearing relationship with Pershing to custody assets for the services referred to as "ADVISORport" and "Lockwood" programs as described below. Other assets not held through one of these programs may be custodied elsewhere.</p> <p><b>CLASSICPlus</b></p> <p>Customized Long-Term Allocation System of Strategic Investment Consulting ("CLASSIC"/ "CLASSIC Plus") provides an asset allocation service related to investment in Client selected securities utilizing asset allocation models developed by Centaurus in conjunction with other independent and unaffiliated investment advisors and/or service providers. The services are customized for each Client to meet their personal investment goals and objectives by choosing among re-balancing parameters, types of securities to be placed into the account and allocation model guidelines with the assistance of the AA. The CLASSIC program, through the AA will provide Clients various monitoring, supervision, consolidated reporting, and periodic recommendation services.</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:  
Centaurus Financial Inc.

SEC File Number:  
801- 56882

Date:  
09/02/2008

(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:

Centaurus Financial, Inc.

IRS Empl. Ident. No.:

33-0530236

Item of Form (identify)	Answer																				
	<p>AA, on behalf of Centaurus, shall obtain the necessary financial data from Client to assist Client in determining the suitability of the Program, and to assist Client in setting appropriate investment objectives through completion of an investor questionnaire ("Investor Profile".) AA will maintain regular communications with Client in order to determine any change in Client's goals and objectives.</p> <p>Based upon the Investor Profile completed with the Client, AA will assist Client in the selection of a model portfolio, initiate the steps necessary, including receipt of investment funds, to open Client's CLASSIC account and to initiate purchases and sales of various asset classes which will be funded by investments chosen by the Client from a list of investments approved for use by Centaurus. The Client will authorize Centaurus to purchase and sell, on a non-discretionary basis, mutual funds, equities, fixed income and other investments approved by Client and Centaurus pursuant to investment objectives chosen by the Client.</p> <p>All transactions will be cleared through a Clearing Corporation acting as correspondent broker-dealer custodian pursuant to Centaurus' clearing arrangement with such firm. Custody of funds and securities will be maintained by the Clearing Corporation, not Centaurus or AA.</p> <p>During any month when there is activity in the account, Client will receive a monthly account statement from Clearing Corporation showing account activity as well as positions held in the account at month end. Additionally, the Client will receive a confirmation of each transaction that occurs within the account. The Client will also receive quarterly performance reports describing account performance, positions and activity. Said reports may be generated by either Clearing Corporation and or under the Classic program; Classic may utilize various technologies including the use of third party data aggregators to generate billings and reports.</p> <p><u>Client fees in the CLASSIC Program will be charged as follows:</u></p> <p>OPTION 1: ADVISORY FEE + LIMITED FREE TRANSACTIONS</p> <p>Client will pay for services described herein an annualized fee (the "Advisory Fee") described below:</p> <p>CLASSIC PROGRAM SERVICES OPTION 1 FEE SCHEDULE</p> <table> <tr> <td>Value of Account Assets</td><td>Max. Annual Fee</td></tr> <tr> <td>\$100,000-\$249,999</td><td>2.25%</td></tr> <tr> <td>\$250,000-\$499,999</td><td>2.00%</td></tr> <tr> <td>\$500,000-\$999,000</td><td>1.75%</td></tr> <tr> <td>\$1,000,000+</td><td>1.50%</td></tr> </table> <p>Includes a maximum of 12 transactions per calendar year. Transactions in excess of 12 per year will be executed at a cost indicated in each contract.</p> <p>OPTION 2: ADVISORY FEE + TRANSACTION CHARGES</p> <p>Client will pay for services described herein an annualized fee (the "ADVISORY Fee") described below, plus transactions will be executed at a cost indicated in each contract. A transaction will be defined as any purchase or sale of securities within the account directed by the Client, or required to fulfill automatic re-balancing requirements authorized by the Client.</p> <p>CLASSIC PROGRAM SERVICES OPTION 2 ADVISORY FEE + TRANSACTION CHARGE SCHEDULE</p> <table> <tr> <td>Value of Account Assets</td><td>Max. Annual Fee</td></tr> <tr> <td>\$25,000-\$249,999</td><td>2.00%</td></tr> <tr> <td>\$250,000-\$499,999</td><td>1.75%</td></tr> <tr> <td>\$500,000-\$999,999</td><td>1.50%</td></tr> <tr> <td>\$1,000,000+</td><td>1.00%</td></tr> </table> <p>In addition, a transaction charge of \$20 per transaction will be charged to the account for any purchases or sales of mutual funds in the account. Additionally, each contract includes costs of non-mutual fund charges if applicable.</p>	Value of Account Assets	Max. Annual Fee	\$100,000-\$249,999	2.25%	\$250,000-\$499,999	2.00%	\$500,000-\$999,000	1.75%	\$1,000,000+	1.50%	Value of Account Assets	Max. Annual Fee	\$25,000-\$249,999	2.00%	\$250,000-\$499,999	1.75%	\$500,000-\$999,999	1.50%	\$1,000,000+	1.00%
Value of Account Assets	Max. Annual Fee																				
\$100,000-\$249,999	2.25%																				
\$250,000-\$499,999	2.00%																				
\$500,000-\$999,000	1.75%																				
\$1,000,000+	1.50%																				
Value of Account Assets	Max. Annual Fee																				
\$25,000-\$249,999	2.00%																				
\$250,000-\$499,999	1.75%																				
\$500,000-\$999,999	1.50%																				
\$1,000,000+	1.00%																				

(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:  
Centaurus Financial Inc.

SEC File Number:  
801- 56882

Date:  
09/02/2008

(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:

Centaurus Financial, Inc.

IRS Empl. Ident. No.:

33-0530236

Item of Form (identify)	Answer																				
	<p>The Client shall pay Centaurus the Advisory Fee from Option 1 or the Advisory Fee from Option 2 quarterly in advance and upon deposit of any additional funds of securities in the account. The first payment is due upon execution of the Client Investment Advisory Services Agreement and will be based upon the opening value of Client's account; said first payment will be prorated in the event the Client Investment Advisory Services Agreement is executed at any time other than on the first day of a calendar quarter. Subsequent fees are determined on the first day of each calendar quarter based on the value of the CLASSIC account assets under management calculated by Clearing Corporation and or the Classic Program as of the close of business on the last business day of the preceding quarter, and shall be charged on the first day of the current quarter. In computing the market value of any security or other investment in the account, each security listed on a national securities exchange shall be valued, as of the valuation date, at the closing price on the principal exchange on which it is traded. Any other security or investment in the account shall be valued in a manner determined in good faith by an independent pricing service and reported by Clearing Corporation to reflect fair market value.</p> <p>In addition to the Advisory Fee stated in Option 2, the account will be assessed a transaction charge ("Transaction Charge"). AA will not receive any portion of the Transaction Charge. Accounts choosing the advisory fee stated in Option 1 will only be assessed a Transaction Charge on mutual fund transactions exceeding 12 per calendar year, per account or additional charges indicated in each contract.</p> <p>Advisory fees and Transaction Charges referenced in above include all fees and charges for the services of Centaurus and AA, including brokerage charges.</p> <p><u>ADVISORport</u> Centaurus has entered into an Agreement with ADVISORport, Inc. ("ADVISORport"), a federally registered investment adviser for the purpose of receiving a number of tools to assist Centaurus in providing its Clients with investment advisory services. Such services offered by Centaurus may include assistance in asset allocation, portfolio optimization, investment policy development, manager selection, proposal development and periodic Client reporting. Through ADVISORport, Centaurus may also have access to various money managers with reduced fees and account minimums which may not otherwise be available to Centaurus.</p> <p>ADVISORport charges for its services as a percentage of assets under management. Such fees are due and payable quarterly, in advance, and are based upon the market value of the Client's account assets as determined by the Custodian at the close of business on the last day of the previous calendar quarter. Fees for the initial quarter will be adjusted pro-rata based upon the number of calendar days in the calendar quarter that the Agreement has been in effect. Fees may be negotiable. Please refer to ADVISORport's ADV, Schedule H for additional information.</p> <p><u>ADVISORport PFS Program Pricing</u></p> <table border="1"> <thead> <tr> <th>Value of Account Assets</th><th>Max. Annual Fee</th></tr> </thead> <tbody> <tr> <td>\$75,000-\$249,999</td><td>2.25%</td></tr> <tr> <td>\$250,000-\$499,999</td><td>2.00%</td></tr> <tr> <td>\$500,000-\$999,999</td><td>1.75%</td></tr> <tr> <td>\$1,000,000+</td><td>1.50%</td></tr> </tbody> </table> <p><u>ADVISORport Seperate Account Program Pricing</u></p> <table border="1"> <thead> <tr> <th>Value of Account Assets</th><th>Max. Annual Fee</th></tr> </thead> <tbody> <tr> <td>\$100,000-\$249,999</td><td>2.75%</td></tr> <tr> <td>\$250,000-\$499,999</td><td>2.50%</td></tr> <tr> <td>\$500,000-\$999,000</td><td>2.25%</td></tr> <tr> <td>\$1,000,000+</td><td>2.00%</td></tr> </tbody> </table> <p>In addition to the fees described above, Clients are responsible for the investment manager fees charged by managers selected by the Client for portfolio management. Clients are also responsible for Centaurus' fees and any brokerage and custody fees which may be imposed. For additional information regarding ADVISORport, Inc., please refer to its ADV Part II, Schedule H.</p>	Value of Account Assets	Max. Annual Fee	\$75,000-\$249,999	2.25%	\$250,000-\$499,999	2.00%	\$500,000-\$999,999	1.75%	\$1,000,000+	1.50%	Value of Account Assets	Max. Annual Fee	\$100,000-\$249,999	2.75%	\$250,000-\$499,999	2.50%	\$500,000-\$999,000	2.25%	\$1,000,000+	2.00%
Value of Account Assets	Max. Annual Fee																				
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(Complete amended pages in full, circle amended items and file with execution page (page 1).)

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

Applicant:  
Centaurus Financial Inc.

SEC File Number:  
801- 56882

Date:  
09/02/2008

(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:

Centaurus Financial, Inc.

IRS Empl. Ident. No.:

33-0530236

Item of Form (identify)	Answer
1A(4)	<p><u>Lockwood Financial Service Inc.</u> Centaurus utilizes various products and services offered through Lockwood Financial Services including without limitation its Managed Account Advisor, Investment Strategy Portfolios, AdvisorFlex Portfolios, Asset Allocation Portfolio, and Investment Strategies Longevity Income Solution. Lockwood charges a bundled fee which may vary depending upon the individual separate account manager selected. A portion of the fee charged by Lockwood will be paid to Centaurus in connection with the introduction of accounts and providing ongoing services to the account. Fees paid to Lockwood vary depending on the managers and services selected by the Client. Fees range from 15 to 130 bbps depending on the size of the investment and the product or service chosen. The minimum account size is \$100,000.00. Given the variations associated with the various fee schedules, manner in which accounts are billed and any breakpoints as applicable, investors are advised to thoroughly read and understand Lockwood's disclosure brochure (Form ADV) relevant to the product selected which is a separate and distinct document. This statement is merely a summary of potential product and services which Centaurus may choose to offer.</p> <p><u>Item 1A(4) - Subscription Fees</u> 1 A (4) Centaurus may provide investment advisory services for subscription fees. Centaurus and its Advisory Associates may also provide financial advisory newsletters and/or other advisory publications. These publications may involve paid subscriptions or be provided without charge. Any fee liability shall be disclosed to the Client at the time of subscription.</p>
1A(8)	<p><u>1A(8) - Timing Services</u> Centaurus, through its Advisory Associates may provide market timing services based on technical and fundamental indicators. In this capacity, Centaurus provides market timing services on a limited discretionary basis which allows only the switching of mutual funds within a family of funds based on technical indicators. The fees for these services range between 1.00% and 3.00%. The fee schedule breakdown is disclosed in the Client's advisory service agreement.</p> <p>The minimum quarterly fee is \$25.00. Fees are payable quarterly in advance and are prorated for any quarter with less than 90 days. The fees are based on the value of the account on the date of each calculation, which is the first day of each quarter. Pro-ration of fees shall be made for any additions to the account between the dates of payment. Market timing service may be terminated by the Client or Centaurus upon thirty (30) days written notice. Any fees received in advance of the termination date shall be prorated and returned to the Client.</p> <p>Market timing fees may be charged in addition to fees charged for other investment advisory services.</p>
1C(2) and (3)	<p><u>Item 1C(2) and (3)</u> Centaurus and its Advisory Associates will provide investment advisory services to Clients as described below:</p> <p><u>1C(2) - Hourly Charges</u> The fee for this service will range from \$25 to \$500 per hour, depending upon the location and experience of the Advisory Associate providing the service. The total amount of hourly fees will be estimated in the contract Centaurus has with the Client. The total fees may be higher than estimated. Fees for hourly financial planning consultation services will be estimated at the time of entering into an agreement and are payable half in advance with the balance due upon completion of services.</p> <p><u>1C(3) - Fixed Fees (not including subscription fees)</u> <u>A written financial plan.</u> The fee for this service will range from no charge to \$100,000 depending upon the complexity desired by the Client and the location and experience of the AA providing the service. All fees will be stated to and agreed upon by the Client in advance. Fees for a financial plan will be payable half in advance with the balance due upon completion of the services. Each Client will have five(5) days after signing an agreement with Centaurus to terminate Client's agreement with Centaurus. If the five day option is exercised, Centaurus will return to Client all initial payments. If a Client seeks to terminate an agreement with Centaurus after the initial five(5) day period, Centaurus will return only those funds which have not been expended in providing financial planning services to Client. It is possible that if the Client seeks to terminate an agreement with Centaurus after the initial five(5) day period and Centaurus has completed work to provide financial planning services to the Client, the Client will not receive any return of initial payments and will be liable for any balance due.</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:  
Centaurus Financial Inc.

SEC File Number:  
801- 56882

Date:  
09/02/2008

(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:

Centaurus Financial, Inc.

IRS Empl. Ident. No.:

33-0530236

Item of Form (identify)	Answer
3K(3) and L	<p><u>Annual financial planning service agreement.</u> An annual financial planning service agreement will include; (1) a financial analysis, (2) any updates to the financial analysis as requested by the Client, and (3) consultation services upon the Client's request for (4) a one year period. The fee for the annual financial planning agreement will be charged as a flat dollar amount, depending on the work to be done, and is to be paid quarterly. It will not be based upon capital gains or capital appreciation. The annual fee will be stated to and agreed upon by the Client in advance. Each Client with an annual financial planning service agreement will have five(5) days after signing an agreement with Centaurus to terminate the agreement, and under such circumstances, Centaurus will return to Client all initial payments. However, if a Client decides to terminate his agreement with Centaurus after the initial five(5) day period, the portion of the quarterly fee paid in advance not actually expended in providing financial planning services will be refunded to the Client. It is possible that if a Client seeks to terminate an agreement with Centaurus after the initial five(5) day period, and substantial work has been done to provide financial planning services to the Client, the Client will not receive any return of the initial quarterly payment.</p> <p><u>3K(3) and L - Investing in Interests in Partnerships etc.</u> Centaurus or its Advisory Associates may also offer advice on interests in other partnerships such as alternate energy, equipment leasing, research and development, debt instruments or manufacturing. Centaurus and its Advisory Associates may also offer advice regarding real estate investment trusts (REIT's).</p>
4A(5), B(8) and C(7)	<p><u>Item 4A(5), B(8) and C(7) - Methods of Analysis, Sources of Information and Investment Strategies</u> Centaurus utilizes fundamental and other methods of security analysis. Because Centaurus provides financial planning services, Centaurus and its Advisory Associates do not provide a detailed analysis of a particular security as part of their financial planning services. However, a detailed analysis of a particular security or asset in terms of the impact of the purchase or sale of such security or asset on the Client's portfolio, investment goals, and/or tax status could be performed by a qualified Advisory Associate upon the request of a Client. Advisory Associates providing financial planning services utilize techniques such as review of Clients' investment goals, financial circumstances, and where appropriate, tax considerations. All security analysis methods, sources of information with respect to securities, and investment strategies are determined by the portfolio manager or market timer selected by Clients to manage their accounts. As only a small percentage of Centaurus' Advisory Associates provide these services directly to Client, the majority of managed or market timer accounts will be under the control and analysis strategy of independent investment advisors as detailed in response to questions 8 C (3) and (4) (See below).</p>
5	<p><u>Item 5 - Education and Business Standards</u> Centaurus requires the following minimum standards of education or business experience of those individuals determining or giving investment advice to Clients.</p> <ol style="list-style-type: none"> <li>1. All Advisory Associates affiliated with Centaurus must first be affiliated with Centaurus as registered representatives.</li> <li>2. Minimum licensing requirement is a Series 6 (Investment Co. and Variable Contracts Products Rep. Exam) for registration as an Advisory Associate with the SEC and/or in the states where no licensing minimums are required.</li> <li>3. If the Advisory Associate intends to offer Investment Advisory services in a state which requires additional licensing, the state requirements must be met prior to the offering of investment advisory services, or in some cases, "holding himself out as a financial planner."</li> </ol>
6	<p><u>Item 6 - Education and Business Background</u> Information is provided on owners, executive officers, directors and supervisors. The following background information is not meant to be a comprehensive list of each individual's background. Only the preceding five years of business experience is provided per Form ADV Part II requirements.</p> <p><b>James Ronald King;</b> born 1947 Formal Education after High School: California State University, Long Beach, CA, Liberal Arts (Attended 1965-1969). Chapman College, Orange, CA, Liberal Arts (Attended 1970) Five Year Business Background: 9/92 - Present CEO, Director - Centaurus Financial, Inc., Anaheim CA 4/96 - Present President, CEO, Director - Brokerage Design and Development, Inc., Anaheim, CA</p> <p><b>Westley H. King;</b> born 1971 Formal Education after High School: University of California at Los Angeles, Los Angeles, CA; B.A. English, 1994 Business Background: 11/94 - Present President, Registered Representative, Registered Principal - Centaurus Financial, Anaheim, CA 4/96 - Present Sr. Vice President - Brokerage Design and Development, Inc., Anaheim, CA</p>

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

Applicant:  
Centaurus Financial Inc.

SEC File Number:  
801- 56882

Date:  
09/02/2008

(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:

Centaurus Financial, Inc.

IRS Empl. Ident. No.:

33-0530236

Item of Form (identify)	Answer
7A,B and C	<p><b>Gary A. Virnick</b>; born 1945 Formal Education after High School: Cleveland State University, Cleveland, Ohio, Bachelor of Science Business Administration 1974. Five year business background: 7/04 to present Chief Compliance Officer, Centaurus Financial, Inc., 12/03 - 7/04 Compliance Officer, AllegisOne Securities, Inc. 7/03 -12/03 self-employed Consultant, 07/02 -07/03 Chief Financial Officer, Benefits Group Worldwide, 1/02-7/02 First Financial Resources, Regional Compliance Officer, 05/98 - 11/01 Director of Compliance, MetLife Investors Group.</p> <p><b>Seth Aaron Weil</b>; Born 1974. Formal Education after High School: Los Angeles City College 2000, Golden West Community College 2000-2003, California State University, Fullerton, CA: BA English 2005. Four years business background: 2005 to present Compliance Officer and Regional Supervisor to Region 1.</p> <p><b>Item 7 A, B and C - Other Business Activities</b> The principal business of Centaurus and its executive officers is that of a Securities Broker Dealer registered with the National Association of Securities Dealers, Inc., ("NASD"). In that capacity, Centaurus, its officers, branch managers and registered representatives, who may also be Advisory Associates, buy and sell securities on behalf of Clients. Centaurus and its Advisory Associates devote approximately 80% of their business as a securities broker dealer. In addition, many Advisory Associates who are properly licensed also sell insurance, real estate, prepare income tax returns, and provide accounting services outside the scope of their activities as an Advisory Associate. Some of Centaurus' Advisory Associates may also be licensed as lawyers, and as lawyers, may provide legal advice.</p>
8	<p><b>Item 8 - Other Financial Industry Activities or Affiliations</b> 8 A Centaurus Financial, Inc. is registered as a securities broker-dealer.</p>
8C(1)	<p><u>8C(1)</u> 8 C (1) In connection to the Lockwood Programs detailed previously, Centaurus has a selling agreement with Pershing to provide access to an independent consultant's service, information regarding portfolio managers and statistical information and data analysis regarding manager performance and Client account performance.</p>
8C(3), (4)	<p><u>8C(3) - Other Investment Adviser and (4) Financial Planning Firm</u> Centaurus may enter into selling agreements with other investment advisors or portfolio managers who offer mutual fund switching/market timing services whereby Centaurus and its Advisory Associates may receive a solicitation fee for referring Clients to such other investment advisers. In addition, many of Centaurus' registered representatives are either separately registered as investment advisers or associated with other registered investment advisers. Centaurus and its Advisory Associates will only refer Clients to mutual fund switching/market timing services which time funds only within one fund family, so as not to generate additional brokerage commissions. Upon the Client's initial purchase of a particular fund within a fund family, Client may pay a sales commission which is disclosed to the Client prior to the initial investment.</p>
8C(8) and (9)	<p><u>8C(9) - Insurance Company or Agency</u> Centaurus' Advisory Associates may have a system of referrals of Clients to and from other professionals. As a result of these referral arrangements, Centaurus' Advisory Associates may receive benefits either directly or indirectly in the form of fees or as registered representatives in the form of commissions from directed trades.</p> <p>Certain Advisory Associates who are appropriately licensed may receive commissions upon the sale of life, disability, or variable annuity insurance products recommended to Clients. If the Client chooses to implement recommendations in the insurance area, he/she is under no obligation to implement through the Advisory Associates who would be representing Centaurus and/or the underwriting insurance agent.</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:  
**Centaurus Financial Inc.**

SEC File Number:  
**801- 56882**

Date:  
**09/02/2008**

(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>Centaurus Financial, Inc.</b>		IRS Empl. Ident. No.: <b>33-0530236</b>
Item of Form (identify)	Answer	
8C(11)	<u>8C (11) - Real Estate Broker or Dealer</u> In addition, some Advisory Associates are licensed in real estate and may receive commissions for the listing and sale of real estate as a real estate agent or broker. These functions are beyond the scope of duties as an Advisory Associate.	
9	<u>Item 9 - Participation or Interest in Client Transactions.</u>  All investment company transactions are technically principal transactions. In those situations, all customer monies for securities purchases or sales are sent to and from a correspondent broker or custodian bank as appropriate. However, Centaurus does not make any markets in securities and does not hold any customer funds or securities. In addition, there may be occasions in which affiliates of Centaurus will be acting as principal in transaction with Clients. On such occasions, the financial planning Client will sign a subscription agreement in which he agrees to purchase an interest from an affiliate of Centaurus, and will have received offering materials concerning the partnership explaining which individuals and entities receive compensation as a result of the partnership's activities.	
9B	<u>9B -Broker or Agent Effecting Securities Transactions for Compensation for any Client</u> Clients will be free to implement the recommendations they receive from Centaurus and its Advisory Associates with any broker-dealer. If Client implements financial planning recommendations through Centaurus and/or its Advisory Associates, Centaurus as a registered broker dealer, may be compensated in the form of a fee or commission. The total amount of these commissions will not exceed what is considered fair and reasonable in accordance with the NASD Rules of Fair Practice and is disclosed in offering materials which are given to Clients. Of this amount, officers, branch managers and Advisory Associates, when they are acting as registered representatives, will receive a portion of the brokerage commission. In addition, Centaurus, with respect to Clients, may act as underwriter or as a member of the selling group. In these situations, Centaurus may recommend to its financial planning Clients that they purchase mutual fund securities. Centaurus may only recommend mutual funds on the approved product list and for which it has a selling agreement.  Centaurus does not have any restrictions on these types of transactions, but they are disclosed to Clients both in Form ADV Part II which is given to Clients, (or a brochure in lieu of) and in the financial planning agreement the Client holds with Centaurus. In the CLASIC Plus program, Centaurus is appointed as sole and exclusive broker dealer with respect to handling of securities transactions for Client's accounts as directed by the investment advisor(s) selected.	
9D and E	<u>9D and E</u> Centaurus, its officers, directors, branch managers and Advisory Associates may own an interest in, and buy and sell for themselves securities which Centaurus may recommend that its Clients purchase or sell. Further, it is possible that Centaurus, its officers, directors, branch managers and Advisory Associates may purchase or sell securities in front of Clients and conceivably obtain a better price, or may purchase or sell securities contrary to the recommendations made to Clients. Such transactions are described in the contract Centaurus holds with its Clients.	
10	<u>Item 10 - Condition for Managing Account</u> 10 Refer to previous details on Lockwood Programs through Pershing for their fee structures. Minimum account value, depending upon independent portfolio manager chose, ranges from \$50,000 to \$250,000.	
11	<u>11A</u> 11 A Reviews of accounts will be done upon Client's request. The review will be performed by the Advisory Associate who provided the original service if he or she is available in accordance with Centaurus's procedures. If the Advisory Associate is not a branch manager, his/her branch manager will conduct a periodic review and inspection of Client's accounts. The number of accounts assigned to each person will vary considerably and cannot be estimated. Account statements for all market timing and portfolio management services performed by unaffiliated investment advisors are prepared by the independent advisor who is managing the account with duplicate copies sent to the Advisory Associate for review.	

(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:  
Centaurus Financial Inc.

SEC File Number:  
801- 56882

Date:  
09/02/2008

(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:

Centaurus Financial, Inc.

IRS Empl. Ident. No.:

33-0530236

Item of Form (identify)	Answer
11B	<p><b>Item 11B</b></p> <p>11 B Statements are prepared at least quarterly on all managed accounts with most accounts producing a monthly statement any time there is activity in the account. Clients involved in market timing programs will receive quarterly statements. Those Clients contracting only for hourly consultations or the preparation for a financial plan will not receive regular reports on their accounts as their advisory services contract expires upon completion of the analysis and payment of the invoice.</p>
12B	<p><b>Item 12B - Explanation of 12A (Investment or Brokerage Discretion)</b></p> <p>12 A (1), (2) In connection with the market timing service provided by its Advisory Associates, the individual Advisory Associate will determine within the given family of mutual funds which particular funds should be purchased or sold and the amount of that particular fund to be purchased or sold. The mutual funds that will be used for the market timing service may be no-load funds, low-load, or standard load funds which may or may not pay sales commissions to unrelated broker-dealers. With reference to Item 12A(3) and (4), Centaurus will not have discretion with respect to brokers or dealers or commission rates paid.</p> <p>If Clients choose to utilize portfolio management services provided directly by Centaurus' Advisory Associates, Centaurus is appointed as broker-dealer with respect to handling securities transactions.</p> <p>12 B Clients decide which broker dealer to use to implement any recommendations made to them by Centaurus and its Advisory Associates to purchase or sell securities. However, it is anticipated that because Centaurus is also a registered broker-dealer and because the Advisory Associates are also registered representatives associated with Centaurus, many Clients will decide to implement their financial planning recommendations through Centaurus and its Advisory Associates acting as registered representatives. If Clients choose to implement their financial planning recommendations through Centaurus and its Advisory Associates, they will be charged a brokerage commission. Under certain circumstances, Clients may receive a discount on brokerage commissions.</p> <p><b>Item 12 - Non-Discretionary Investment Monitoring Agreement (Summary)</b></p> <p>Centaurus Financial Inc. (CFI) and its Advisory Associates (Associates) enter into advisory agreements with their Clients to monitor the Client's Designated Investment Account (Account) under the terms of an Investment Monitoring Agreement (Agreement). Under certain circumstances, a Client may request advice for assets in which CFI may/may not be the Broker Dealer (BD) of record. Assets under the Agreement are not Custodied with Pershing and may include Variable Annuities, 401(k)s, or Direct Mutual Funds among others.</p> <p><b>I. Asset Monitoring.</b></p> <p>Under the Agreement, the Client authorizes CFI and/or an Associate to monitor and manage the investment and reinvestment of assets within the Client's Account on a non-discretionary basis subject to Client's consent. Monitoring of the assets: does not include day-day investment management; may/may not produce performance reports; Client may/may not be billed directly; Associate may/may not be paid a commission.</p> <p><b>II. Fees</b></p> <p>CFI and/or Associate will receive an annualized monitoring fee, billed quarterly, for monitoring the assets in the Account. The amount of the fee shall be agreed upon between the Client and the Associate as set forth in the full text of the Agreement. Under no circumstances will the fee exceed 1.75% of the value of the assets in the Account. It is the Client's responsibility to verify the accuracy of the fee calculations. In certain circumstances, a flat fee may be more appropriate depending upon the type of monitoring services provided for the Client's Account. In such cases, the fee will be determined between the Client and the Associate</p> <p><b>III. Account Activity</b></p> <p>The Associate, if designated as a broker for the Account, may purchase, sell, or exchange securities on a non-discretionary basis subject to Client's consent. CFI/Associate may receive compensation on securities transactions if acting as the broker for the Account. Because of CFI's fiduciary duty to provide unbiased advice, CFI has a conflict of interest when CFI receives commissions on such transactions. CFI and Associate's recommendations are limited to securities offered through CFI. Other suitable investment products might be available through other brokers. The Client understands that CFI and its affiliates perform advisory and brokerage services for various clients and that advice given/action take on behalf of one Client may differ from that taken on behalf of another.</p>

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

Applicant:  
Centaurus Financial Inc.

SEC File Number:  
801- 56882

Date:  
09/02/2008

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Centaurus Financial, Inc.

IRS Empl. Ident. No.:

33-0530236

Item of Form (identify)	Answer
13A	<p>IV. Retirement or Employment benefit Plan Accounts If the Account is (a) for a pension or other employee benefit plan governed by ERISA (b) a tax qualified retirement plan or (c) an IRA, certain penalties may apply which include but are not limited to Contingent Deferred Sales Charges, Taxable events or penalties applicable if Client does not meet the age requirement of 59 1/2 years old.</p> <p>V. Investment Monitoring Agreement Disclosure The above text concerning the Investment Monitoring Agreement is a summary of the Agreement for Form ADV purposes only. This summary is for disclosure purposes only so as to give insight as to some principles within the Agreement. By no means should this summary be deemed a full representation of the Agreement. This summary under no circumstances obligates CFI or its Associates to be bound in any manner to any party and should not be relied on for any purpose. For further information, the text of the Agreement should be read in its entirety.</p> <p><u>Item 12 - Discretionary Activities</u> Under limited circumstances, certain Advisory Associates ("AA") may be permitted to engage in discretionary activities. In such cases, the client will enter into an agreement authorizing the AA to act in a discretionary capacity. These agreements will permit the AA to determine the selection and amount of securities to be bought and sold without obtaining prior consent from the client. Discretionary authority may be limited by the client provided written notification of such limitations is delivered to, and accepted by the AA. Clients may amend the terms of discretionary authority provided any amendments are in writing and comply with the terms of the client agreement.</p> <p><u>Item 13A - Additional Compensation</u> 13 A Centaurus has entered into a number of selling agreements with other investment advisors registered under the Investment Advisors Act of 1940, whereby Centaurus's Advisory Associates provide solicitation services on behalf of these other advisors. The other advisors provide market timing and/or portfolio management services on behalf of Clients. Solicitation fees are paid to Centaurus in compliance with Rule 206 (4)-3. Specifically, services, disclosure forms and written agreements are pursuant to Rule 206 (4)- investment advisors do not pay a solicitation fee but do place all trades through Centaurus as a broker-dealer where normal and customary brokerage commissions will be paid to the registered representatives who have solicited the accounts.</p> <p><u>Additional Disclosures</u></p> <p><u>Privacy Policy</u> Protecting Client's privacy is very important to Centaurus. A copy of Centaurus' privacy policy will be provided to each Client prior to, or contemporaneously with, the execution of any advisory arrangement. Thereafter, Centaurus will offer to deliver a copy of the current privacy policy to its Clients on an annual basis. Centaurus, a securities Broker Dealer and Registered Investment Advisor, has implemented a privacy policy, in compliance with Regulation S-P under which we do not disclose any non-public personal information about our customers and former customers to anyone other than our clearing broker dealer, when required, except with the customer's permission, or except as required under the US Patriot Act or other applicable laws and/or regulations.</p> <p><u>Disciplinary Action</u> Under certain circumstances, a firm is required to disclose to its clients and potential clients any disciplinary actions taken against the firm or its advisors. In an effort to fully inform all clients, the firm discloses the following: On 4/28/2009, Centaurus, without admitting or denying the findings, was censured and fined \$175,000.00 for failing to: adequately safeguard customer information held on a computer fax server; adequately respond to information that unauthorized users had accessed the system; adequately investigate the scope of the unauthorized access; and sent inaccurate notifications of the access to affected customers and representatives. Thus, failure to comply with Reg S-P and FINRA Rules 2010, 2211, 2110, and 3010. Centaurus has taken the necessary corrective action including, correcting the notification of unauthorized access, has offered those affected one year free credit monitoring and has certified with FINRA within 90 days of acceptance that its procedures are in compliance with privacy requirements.</p>
Additional Disclosures	

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

Applicant:  
Centaurus Financial Inc.

SEC File Number:  
801- 56882

Date:  
09/02/2008

(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:

Centaurus Financial, Inc.

IRS Empl. Ident. No.:

33-0530236

Item of Form (identify)	Answer
	<p>On 8/16/2004, Centaurus without admitting or denying the findings, was censured and fined \$10,000.00 for failing to timely file certain reportable events as required by NASD Rule 3070(B) and certain reportable statistical and summary information as required by Rule 3070. On 6/29/1999, Centaurus, without admitting or denying the findings, was censured and fined \$5,000.00 for failing to electronically report certain occurrences in a timely manner, due to glitches with newly purchased software and outsourcing to third parties. However, all occurrences had been previously disclosed to the NASD by other means.</p> <p>For complete detail regarding the above summarized action(s), please see Investment Advisor Public Disclosure at <a href="http://www.adviserinfo.sec.gov/IAPD/Content/Search/iapd_OrgSearch.aspx">http://www.adviserinfo.sec.gov/IAPD/Content/Search/iapd_OrgSearch.aspx</a> and enter Centaurus Financial, Inc. in the "Firm Name" field.</p> <p><b><u>Code of Ethics</u></b></p> <p>Centaurus Financial, Inc. has established ethical standards of professional conduct that every Associate shall maintain. The Ethical Standards set below serve as a guide of professional responsibility and a benchmark for ethical judgment.</p> <ul style="list-style-type: none"> <li>• Associates shall maintain at all times the highest standards of professional competence, integrity and judgment. This ethical standard requires strict compliance with the applicable laws and regulations of any government, governmental agency and regulatory organization that has jurisdiction over the professional activities of Associates and Employees.</li> <li>• Associates must always be aware that they have a fiduciary responsibility to what is right for each customer and must always act accordingly.</li> <li>• Associates shall not publish or make statements that they know or have reason to believe are inaccurate or misleading.</li> <li>• Associates shall keep in confidence knowledge concerning the lawful private affairs of both past and present Clients.</li> <li>• Associates shall commit to maintain and increase their professional knowledge, skills and competence through continuing education.</li> <li>• Associates shall allow their professional conduct to be reviewed by their Clients and Centaurus Financial, Inc. to ensure consistency with the above principles.</li> <li>• Associate will obtain the approval of Centaurus Financial, Inc. before investing in an initial public offering or private placement.</li> <li>• A copy of the Centaurus Financial, Inc. Code of Ethics is available to any Client or prospective Client upon request.</li> </ul>

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