

## Uniform Application for Investment Adviser Registration

## OMB APPROVAL

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Name of Investment Adviser:

Paulson Investment Company, Inc.

Address: (Number and Street)	(City)	(State)	(Zip Code)	Area Code: Telephone number:
811 SW Naito Parkway, Suite 200	Portland	Oregon	97204	(503) 243-6000

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, and D, 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 Services and Fees.** (check the applicable boxes)

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

Applicant:

<input type="checkbox"/>	(1)	Provides investment supervisory services . . . . .	_____ %
<input checked="" type="checkbox"/>	(2)	Manages investment advisory accounts not involving investment supervisory services . . . . .	_____ <b>50</b> %
<input checked="" type="checkbox"/>	(3)	Furnishes investment advice through consultations not included in either service described above . . . . .	_____ <b>50</b> %
<input type="checkbox"/>	(4)	Issues periodicals about securities by subscription . . . . .	_____ %
<input type="checkbox"/>	(5)	Issues special reports about securities not included in any service described above . . . . .	_____ %
<input type="checkbox"/>	(6)	Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities . . . . .	_____ %
<input type="checkbox"/>	(7)	On more than an occasional basis, furnishes advice to clients on matters not involving securities . . . . .	_____ %
<input type="checkbox"/>	(8)	Provides a timing service . . . . .	_____ %
<input type="checkbox"/>	(9)	Furnishes advice about securities in any manner not described above . . . . .	_____ %

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

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

Yes      No  
☐      ☒

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

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

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

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

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

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> A. Individuals                      | <input checked="" type="checkbox"/> E. Trusts, estates, or charitable organizations                    |
| <input type="checkbox"/> B. Banks or thrift institutions                | <input checked="" type="checkbox"/> F. Corporations or business entities other than those listed above |
| <input type="checkbox"/> C. Investment companies                        | <input checked="" 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 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 type="checkbox"/> (2) commodities                                   |
| <input checked="" 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 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 type="checkbox"/> (1) real estate                                   |
| <input type="checkbox"/> G. Investment company securities:                                     | <input type="checkbox"/> (2) oil and gas interests                         |
| <input type="checkbox"/> (1) variable life insurance   | <input type="checkbox"/> (3) other (explain on Schedule F)                 |
| <input 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 type="checkbox"/> Charting               | (4) <input 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 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 checked="" type="checkbox"/> Corporate rating services             | (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 (securities held at least a year) | (5) <input type="checkbox"/> Margin transactions   |
| (2) <input checked="" type="checkbox"/> Short term purchases (securities sold within a year)  | (6) <input checked="" type="checkbox"/> Option writing, including covered options, uncovered options or spreading strategies |
| (3) <input checked="" type="checkbox"/> Trading (securities sold within 30 days)              | (7) <input checked="" type="checkbox"/> Other (explain on Schedule F)  |
| (4) <input type="checkbox"/> Short sales  |  |

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

**5. Education and Business Standards.**

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients? . . . . .

Yes No  
☒ ☐

(If yes, describe these standards on Schedule F.)

**6. Education and Business Background**

For:

- each member of the investment committee or group that determines general investment advice to be given to clients, or
- if the applicant has no investment committee or group, each individual who determines general investment advice given to clients (if more than five, respond only for their supervisors)
- each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

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

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

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

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

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

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

**9. Participation or Interest in Client Transactions.**

Applicant or a related person: (check those that apply)

- ☐ A. As principal, buys securities for itself from or sells securities it owns to any client.
- ☐ B. As broker or agent effects securities transactions for compensation for any client.
- ☐ C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.
- ☐ D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- ☐ E. Buys or sells for itself securities that it also recommends to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

Describe, on Schedule F, your code of ethics, and state that you will provide a copy of your code of ethics to any client or prospective client upon request.

- 10. Conditions for Managing Accounts.** Does the applicant provide investment supervisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services and impose a minimum dollar value of assets or other conditions for starting or maintaining an account? . . . . .

Yes No  
☒ ☐

(If yes, describe on Schedule F)

- 11. Review of Accounts.** If applicant provides investment supervisory services, manages investment advisory accounts, or holds itself out as providing financial planning or some similarly termed services:

A. Describe below the reviews and reviewers of the accounts. **For reviews**, include their frequency, different levels, and triggering factors. **For reviewers**, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.

**Please refer to Schedule F of Form ADV.**

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

**Clients receive copies of trade confirmations for each transaction effected in their account. Clients also receive statements of their accounts at least quarterly.**

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

**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 type="checkbox"/> | <input checked="" type="checkbox"/> |
| (2) amount of the securities to be bought or sold? ..... | <input type="checkbox"/> | <input checked="" 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<br><input type="checkbox"/> | No<br><input checked="" type="checkbox"/> |
| B. directly or indirectly compensates any person for client referrals? .....  | Yes<br><input type="checkbox"/> | No<br><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); or
- requires prepayment of more than \$500 in fees per client and 6 or more months in advance

Has applicant provided a Schedule G balance sheet? ..... Yes No  
☐ ☒

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

**Schedule F of  
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:

**Paulson Investment Company, Inc.**

SEC File Number:

801- 60034

Date:

01/14/2010

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

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:

**Paulson Investment Company, Inc.**

IRS Empl. Ident. No.:

**93-0789804**Item of Form  
(identify)

Answer

1.D

**Services:**

Paulson Investment Company, Inc. ("Paulson") offers a program through its clearing firm RBC Correspondent Services, a division of RBC Capital Markets Corporation, called Advisor in which it provides a client directed, non-discretionary program where the client pays an asset-based fee for transactions and advice. In this capacity, Paulson receives a percentage of assets under management which is negotiable. The minimum account size for this program is \$25,000. Below is Paulson's suggested Fee Range for these accounts by percentage and account size:

Value of Account Assets	Annualized Fee (as % of Assets)
\$25,000 - \$250,000	0.55% - 2.75%
\$250,001 - \$500,000	0.50% - 2.75%
\$500,001 - \$1,000,000	0.50% - 2.75%
\$1,000,001 - \$2,000,000	0.45% - 2.00%
\$2,000,001 - \$3,000,000	0.40% - 2.00%
\$3,000,001 - \$5,000,000	0.30% - 2.00%
\$5,000,001 - \$10,000,000	0.20% - 2.00%
\$10,000,001 & Above	Negotiable

While Paulson has a suggested fee range, the actual fee charged on the account is negotiated between the customer and the Investment Advisor Representative. The fee is disclosed in the Advisor Client Agreement and provided to the client for their review and acceptance prior to applying the fee to the account. All accounts are subject to a \$500 minimum annual fee for equity accounts, and \$250 for non-equity accounts. Factors used in determining the fee charged are: the size, expected activity, type of investments, and excluded assets in the account.

Paulson offers a program through its clearing firm, RBC Correspondent Services, a division of RBC Capital Markets Corporation, called Resource II in which a client has a choice of investment managers it can choose from that will fit their investing style. In this program, the portion of the fee paid by RBC Capital Markets Corporation to Investment Managers typically ranges from the annual rate of 0.20% to 0.65% of account assets under management, depending on the type of account (whether equity, balanced or fixed income) and the total amount of assets allocated to the Investment Manager in RBC Capital Markets Corporation programs. The portion of the program fee retained by RBC Capital Markets Corporation typically ranges from the annual rate of 0.20% to 0.60% of account assets under management. Program fees that are not paid to Investment Managers or retained by RBC Capital Markets Corporation will be paid to Paulson. The minimum account size for this program is \$100,000. Some Fixed Income managers may require an initial investment of \$250,000. Below is Paulson's maximum fee schedule for this program:

**Equity and Balanced Accounts**

Value of Account Assets	Annualized Fee (as % of Assets)
Up to \$500,000	3.00%
\$500,001 to \$1,000,000	2.70%

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:

**Paulson Investment Company, Inc.**

SEC File Number:

**801- 60034**

Date:

**01/14/2010**

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

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:

**Paulson Investment Company, Inc.**

IRS Empl. Ident. No.:

**93-0789804**Item of Form  
(identify)

Answer

1.D (Continued)

\$1,000,001 to \$2,000,000	2.40%
\$2,000,001 to \$3,000,000	2.10%
\$3,000,001 to \$5,000,000	2.00%
\$5,000,001 to \$10,000,000	1.90%
\$10,000,001 and up	Negotiated

**Fixed Income Accounts**

Value of Account Assets	Annualized Fee (as % of Assets)
Up to \$500,000	1.50%
\$500,001 to \$1,000,000	1.45%
\$1,000,001 to \$2,000,000	1.40%
\$2,000,001 to \$3,000,000	1.20%
\$3,000,001 to \$5,000,000	1.10%
\$5,000,001 to \$10,000,000	1.00%
\$10,000,001 and up	Negotiated

The Resource II program fee may, in certain circumstances, be negotiated between the Investment Advisor Representative and the client, subject to the maximum set forth in the above fee schedule corresponding to the type of Account managed by each selected Investment Manager. The fee is disclosed in the Resource II Client Agreement and provided to the client for their review and acceptance prior to applying the fee to the account. All accounts subject to a \$2,000 minimum annual fee for equity, \$1,000 for non-equity, and \$500 for specialty portfolios. Factors used in determining the fee charged are: the size of the client's account, the Investment Manager(s) selected, and other relevant criteria.

In addition to the above Advisor and Resource II programs, Paulson may act as a third-party solicitor for SEC-Registered Investment Advisers. Paulson may also provide solicitation services on behalf of unaffiliated investment advisers ("UIA's"). Paulson's solicitation services are primarily provided to financial professionals including other investment advisers, financial planners, CPA's and registered representatives who may make client referrals to advisers that are not affiliated with Paulson.

In Paulson's indirect capacity as a solicitor to other unaffiliated investment advisers, Paulson may receive certain payments for the referral of clients to other advisers which are described in the UIA's Form ADV, Part II or Solicitor's Separate Written Disclosure Statement provided to the client.

Paulson's soliciting activities include providing its Investment Adviser Representatives ("IAR's") with assistance in organizing and conducting investment seminars, educational workshops, and training on various services provided by the UIA's. In addition, one of Paulson's Registered Principals may meet in person or telephonically with clients of the IAR's for the purpose of introducing and explaining the services provided by UIA's. They may also assist IAR's in understanding the marketing and sales literature of the UIA's used to solicit advisory clients. This literature may include advisory contracts for the different services offered, client questionnaires and applications to open accounts, and disclosure documents that the IAR is obligated to

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:

**Paulson Investment Company, Inc.**

SEC File Number:

801- 60034

Date:

01/14/2010

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

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:

**Paulson Investment Company, Inc.**

IRS Empl. Ident. No.:

**93-0789804**Item of Form  
(identify)

Answer

1.D (Continued)

provide to clients at the time of solicitation, among other things. The disclosure materials may include, but are not limited to, Paulson's Form ADV, Part II (or comparable client disclosure brochures) or a Solicitor's Separate Written Disclosure Statement which describes the nature of the solicitation activities and referral payments that may be made to the IAR's or to Paulson by an UIA.

Paulson may refer clients directly to UIA's, thereby acting as a solicitor. As compensation for such activity, Paulson may be paid a portion of the advisory fees earned by the UIA's, and a percentage of the assets referred as an initial consulting fee. Paulson is compensated for its services by receiving solicitation fees which generally derive from a percentage of the net advisory fee income earned by the investment adviser for the management of client assets referred by the IAR's associated with Paulson. Our solicitation fee generally equals 0.00% to 1.90% of account assets, depending on the size of the account. This solicitation fee is ongoing, not upfront, and the UIA will pay Paulson a portion of the fee they receive from the client. UIA's may also reimburse Paulson for certain expenses such as seminars, travel, training and additional marketing costs.

Any such arrangements between Paulson and a UIA would be in writing and consistent with the requirements of the Cash Payment for Client Solicitations Rule (SEC Rule 206(4)-3) or other state laws.

If Paulson were to make direct solicitations for UIA, it may be entitled to a portion of the advisory fees carried by the UIA, as well as receiving the full amount of any incentive fee.

2.G

Paulson is currently registered as a broker-dealer and as such may recommend securities to retail clients and receive commissions thereon for those transactions.

3.L

In its capacity as a solicitor, Paulson does not provide investment advice but provides marketing consulting services to UIA's, and in turn, works with UIA's, broker-dealers, or other firms who have entered into written agreements with the UIA's. The UIA's generally provide advice to individuals, pension and profit-sharing plans, trusts, estates or charitable organizations, and corporations or business.

4.A.5

In its capacity as a solicitor, Paulson does not provide investment advice directly to clients except when Paulson is acting in the capacity of a broker-dealer. Since Paulson does not provide advice on securities in its role as a solicitor and marketing consultant, it doesn't use any of the methods described in item 4.A of the Form ADV, Part II for analyzing securities.

4.B.8

In its capacity as a solicitor, Paulson does not provide investment advice directly to clients except when Paulson is acting in the capacity of a broker-dealer. Since Paulson does not provide advice on securities in its role as a solicitor and marketing consultant, it doesn't use any of the methods described in item 4.B of the Form ADV, Part II for analyzing securities.

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:

**Paulson Investment Company, Inc.**

SEC File Number:

801- 60034

Date:

**01/14/2010**

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

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>Paulson Investment Company, Inc.</b>		IRS Empl. Ident. No.: <b>93-0789804</b>
Item of Form (identify)	Answer	

4.C.7	In its capacity as a solicitor, Paulson does not provide investment advice directly to clients except when Paulson is acting in the capacity of a broker-dealer. Since Paulson does not provide advice on securities in its role as a solicitor and marketing consultant, it doesn't use any of the methods described in item 4.C of the Form ADV, Part II as investment strategies used to implement any investment advice given to clients.
5	Investment Advisor Representatives must have passed the series 6 or 7 exam and either the series 65 or 66 exam. In addition, each Investment Advisor Representative must be properly registered.
6	<b>Education and Business Background for Each Principal Executive Officer:</b>  Chester L. F. Paulson Born: 01/24/1936 <b>Formal Education after High School:</b> University of Oregon: BA, Economics (1958) Portland State University: MBA, Economics (1980) <b>Securities Exams Passed:</b> Series 7, 24, 52, and 53 <b>Five Year Business Background:</b> Paulson Investment Company, Inc., April 1971 to present, Chairman & Director  Jacqueline M. Paulson Born: 03/20/1939 <b>Formal Education after High School:</b> Linfield College: BA, Education (1961) <b>Securities Exams Passed:</b> Series 4, 7, 24, 53, and 63 <b>Five Year Business Background:</b> Paulson Investment Company, Inc., April 1971 to present, Secretary, Treasurer, Director  Erick J. Paulson Born: 11/11/1976 <b>Formal Education after High School:</b> University of Oregon: BS, Anthropology (2000) <b>Securities Exams Passed:</b> Series 7 and 66 <b>Five Year Business Background:</b> Paulson Investment Company, Inc., September 2000 to present, Vice Chariman, Director  Trent D. Davis Born: 12/31/1967 <b>Formal Education after High School:</b> Linfield College: BS, Business & Economics (1990) University of Portland: MBA (1995)

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:

**Paulson Investment Company, Inc.**

SEC File Number:

801- 60034

Date:

01/14/2010

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

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:

**Paulson Investment Company, Inc.**

IRS Empl. Ident. No.:

**93-0789804**Item of Form  
(identify)

Answer

6 (Continued)

**Securities Exams Passed:**

Series 7, 24, 63, and 66

**Five Year Business Background:**

Paulson Investment Company, Inc., February 1991 to present, President, CEO, Director

Christopher C. Schreiber

Born: 09/23/1964

**Formal Education after High School:**

Johns Hopkins University: BA, Political Science (1986)

**Securities Exams Passed:**

Series 7, 24, and 63

**Five Year Business Background:**

Paulson Investment Company, Inc., August 2002 to present, National Sales Manager, Director

Karen L. Johannes

Born: 12/25/1959

**Formal Education after High School:**

Oregon State University: BS, Business (1982)

University of Washington: MBA (1988)

**Securities Exams Passed:**

Series 27 and 63

**Five Year Business Background:**

Paulson Investment Company, Inc., October 2003 to present, Chief Financial Officer, Director

Willamette Management Assoc., January 1998 to September 2003, Analyst

Isaac W. Jameson

Born: 09/23/1976

**Formal Education after High School:**

Clackamas Community College: Associates, General Studies (2003)

**Securities Exams Passed:**

Series 4, 7, 24, 28, 53, 63, and 65

**Five Year Business Background:**

Paulson Investment Company, Inc., January 2007 to present, Chief Compliance Officer, Director

Paulson Investment Company, Inc., July 2005 to January 2007, Director of Operations

Paulson Investment Company, Inc., March 2000 to July 2005, VP of Compliance

7.A

Paulson is a registered broker-dealer, and will receive commissions from any retail business that it transacts.

7.B

Paulson serves as a solicitor for UIA's. Paulson receives its compensation in the form of a solicitor's fee which is typically based upon a percentage of the net advisory fees earned by the UIA for the management of client assets referred to UIA's. Paulson may also be reimbursed for various seminar, travel, and marketing expenses. If Paulson receives any fees from UIA's in connection with cash payments for client solicitations,

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:

**Paulson Investment Company, Inc.**

SEC File Number:

801- 60034

Date:

01/14/2010

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

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>Paulson Investment Company, Inc.</b>		IRS Empl. Ident. No.: <b>93-0789804</b>
Item of Form (identify)	Answer	

7.B (Continued)	the nature of the relationship and referral fees would be disclosed in the UIA's form ADV, Part II or Solicitor's Separate Written Disclosure Statement provided to the client.
7.C	Paulson is a registered broker-dealer, and will receive commissions from any retail business that it transacts.
8.A	Paulson is a registered broker-dealer, and will receive commissions from any retail business that it transacts.
8.C.(1)	Paulson is a registered broker-dealer, and will receive commissions from any retail business that it transacts.
8.C.(3)	Paulson serves as a solicitor for UIA's. Paulson receives its compensation in the form of a solicitor's fee which is typically based upon a percentage of the net advisory fees earned by the UIA for the management of client assets referred to UIA's. Paulson may also be reimbursed for various seminar, travel, and marketing expenses. If Paulson receives any fees from investment advisers in connection with cash payments for client solicitations, the nature of the relationship and referral fees would be disclosed in the UIA's form ADV, Part II or Solicitor's Separate Written Disclosure Statement provided to the client.
9	<p>This Code of Ethics is based on the principle that all employees of Paulson and certain other persons have a fiduciary duty to place the interest of clients ahead of their own and the Company's. This Code of Ethics applies to all "Access Persons" (defined below). Access Persons must avoid activities, interests, and relationships that might interfere with making decisions in the best interests of Paulson's Advisory Clients.</p> <p>For purposes of this policy, the following words shall mean:</p> <p>"Access Persons" means all employees, directors, officers, partners or members of the Company, as the case may be, who (i) have access to nonpublic information regarding Advisory Clients' purchases or sales of securities, (ii) are involved in making securities recommendations to Advisory Clients or (iii) have access to nonpublic recommendations or the portfolio holdings of an affiliate (iv) all of the Company's directors, officers, members and portfolio management personnel. Client services personnel who regularly communicate with Advisory Clients also may be deemed to be Access Persons.</p> <p>"Advisory Client" means any fund for which the Company serves as a general partner, or any person or entity for which it serves as investment adviser, renders investment advice or makes investment decisions.</p> <p>"Code" means this policy as supplemented by other policies and procedures contained in the Company's Compliance Manual.</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:

**Paulson Investment Company, Inc.**

SEC File Number:

801- 60034

Date:

**01/14/2010**

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

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:

**Paulson Investment Company, Inc.**

IRS Empl. Ident. No.:

**93-0789804**

Item of Form  
(identify)

Answer

9 (Continued)

As fiduciaries, all Access Persons must at all times:

**1. Place the interests of Advisory Clients first.** All Access Persons must scrupulously avoid serving their own personal interests ahead of the interests of the Company's Advisory Clients. Access Persons may not induce or cause an Advisory Client to take action, or not to take action, for personal benefit, rather than for the benefit of the Advisory Client. For example, a supervisor or employee would violate the policy by causing an Advisory Client to purchase a security he or she owned for the purpose of increasing the price of that security.

**2. Avoid taking inappropriate advantage of their position.** The receipt of investment opportunities, perquisites or gifts from persons seeking business with the Company or its Advisory Clients, could call into question the exercise of the independent judgment of a Access Person. Access Persons may not, for example, use their knowledge of portfolio transactions to profit by the market effect of such transactions.

**3. Conduct all personal securities transactions in full compliance with this Code including both pre-clearance and reporting requirements.** Doubtful situations always should be resolved in favor of Advisory Clients. Technically, compliance with the Code's provisions shall not automatically insulate from scrutiny any securities transactions or actions that indicate a violation of the Company's fiduciary duties.

A complete copy of Paulson's code of ethics is available upon request.

10

The minimum account size for the Advisory program is \$25,000. The minimum account size for the Resource II program is \$100,000. Some Fixed Income managers may require an initial investment of \$250,000.

11.A

Investment Adviser Representatives ("IAR's") will review their client's accounts periodically and on an ongoing basis to monitor for any material events. Accounts are also reviewed by the IAR's to ensure the investments are consistent with the client's stated investment objectives. In addition, at least annually, IAR's will review their advisory accounts with their clients to ensure their goals and objectives have not changed. Reviews may be conducted more frequently by the IAR for various factors including, but not limited to: client's change in investment objectives or financial situation.

Additional periodic reviews of advisory accounts may be performed by the IAR's Supervisor or by Compliance personnel. There are approximately 10 reviewers who are supervisors or Compliance Staff. The number of supervisors may vary, but no one supervisor will review more than 100 accounts. The reviewers are instructed to review the accounts to ensure activity and investments are consistent with the client's stated investment objectives. The IAR's supervisor or Compliance personnel will document the review. During the review process, it may be necessary for the IAR's supervisor or Compliance personnel to contact the IAR and/or the client to discuss the account

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

Applicant:

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SEC File Number:

801- **60034**

Date:

**01/14/2010**

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

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:

**Paulson Investment Company, Inc.**

IRS Empl. Ident. No.:

**93-0789804**

Item of Form  
(identify)

Answer

11.A (Continued)

further. Contemporaneous notes of any conversations with the IAR or client will be kept in the clients file.

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