

FORM ADV

Uniform Application for Investment Adviser Registration

Part II - Page 1

OMB APPROVAL

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Name of Investment Adviser:

Discipline Advisors, Inc.

Address: (Number and Street) (City) (State) (Zip Code)

150 St. Andrews Ct. Suite 210, Mankato, MN 56001

Area Code: Telephone Number

507-625-5876

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

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

Applicant:
Discipline Advisors, Inc.

SEC File Number:
801-138938

Date:
3/23/2010

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

For each type of service provided, state the approximate
% of total advisory billings from that service.

(See instruction below.)

Applicant:

- ☒ (1) Provides investment supervisory services..... 95 %
- ☐ (2) Manages investment advisory accounts not involving investment supervisory services..... %
- ☒ (3) Furnishes investment advice through consultations not included in either service described above 5 %
- ☐ (4) Issues periodicals about securities by subscription..... %
- ☐ (5) Issues special reports about securities not included in any service described above..... %
- ☐ (6) Issues, not as part of any service described above, any charts, graphs, formulas, or other devices
which clients may use to evaluate securities %
- ☐ (7) On more than an occasional basis, furnishes advice to clients on matters not involving securities..... %
- ☐ (8) Provides a timing service..... %
- ☐ (9) Furnishes advice about securities in any manner not described above %

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

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

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

- ☒ (1) A percentage of assets under management ☐ (4) Subscription fees
- ☒ (2) Hourly charges ☐ (5) Commissions
- ☒ (3) Fixed fees (not including subscription fees) ☐ (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)

- ☒ A. Individuals ☒ E. Trusts, estates, or charitable organizations
- ☐ B. Banks or thrift institutions ☒ F. Corporations or business entities other than those listed above
- ☐ C. Investment companies
- ☒ D. Pension and profit sharing plans ☒ G. Other (describe on Schedule F)

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 | 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 issues | <input type="checkbox"/> (2) commodities |
| <input checked="" type="checkbox"/> B. Warrants | 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 | K. Interests in partnerships investing in: |
| <input checked="" type="checkbox"/> F. Municipal securities | <input checked="" type="checkbox"/> (1) real estate |
| G. Investment company securities | <input checked="" type="checkbox"/> (2) oil and gas interests |
| <input checked="" type="checkbox"/> (1) variable life insurance | <input checked="" type="checkbox"/> (3) other (explain on Schedule F) |
| <input checked="" type="checkbox"/> (2) variable annuities | <input type="checkbox"/> L. Other (explain on Schedule F) |
| <input checked="" type="checkbox"/> (3) mutual fund shares | |

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

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

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

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

- | | |
|--|---|
| (1) <input checked="" type="checkbox"/> Long term purchases
(securities held at least a year) | (5) <input checked="" 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 type="checkbox"/> Other (explain on Schedule F) |
| (4) <input type="checkbox"/> Short sales | |

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5. Education and Business Standards.

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

Yes ☒ No ☐

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

6. Education and Business Background.

For:

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

On Schedule F, give the:

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

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

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

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

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

- ☐ A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- ☐ B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:
- | | |
|--|--|
| <input 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 type="checkbox"/> (3) other investment adviser | <input checked="" type="checkbox"/> (9) insurance company or agency |
| <input type="checkbox"/> (4) financial planning firm | <input type="checkbox"/> (10) pension consultant |
| <input type="checkbox"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant | <input type="checkbox"/> (11) real estate broker or dealer |
| <input type="checkbox"/> (6) banking or thrift institution | <input type="checkbox"/> (12) entity that creates or packages limited partnerships |

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

- D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest? Yes ☐ No ☒

(If yes, describe on Schedule F the partnerships and what they invest in.)

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9. Participation or Interest in Client Transactions.

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

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

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

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

- 10. Conditions for Managing Accounts.** Does the applicant provide investment supervisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services Yes No
and impose a minimum dollar value of assets or other conditions for starting or maintaining an account? ☒ ☐

(If yes, describe on Schedule F.)

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

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

See Schedule F for details

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

See Schedule F for details

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"/> |
| | Yes | No |
| (2) amount of the securities to be bought or sold? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | Yes | No |
| (3) broker or dealer to be used? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| | Yes | No |
| (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 products and research services received.

13. Additional Compensation.

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

- | | | |
|---|--|---|
| A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients? | Yes
<input type="checkbox"/> | No
<input checked="" type="checkbox"/> |
| B. directly or indirectly compensates any person for client referrals? | Yes
<input checked="" type="checkbox"/> | No
<input type="checkbox"/> |

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

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

- has custody of client funds or securities (unless applicant is registered or registering only with the Securities and Exchange Commission); or
- requires prepayment of more than \$500 in fees per client and 6 or more months in advance

	Yes	No
Has applicant provided a Schedule G balance sheet?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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

Applicant:

Discipline Advisors, Inc.

SEC File Number:

801- 138938

Date:

3/23/2010

(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:

Discipline Advisors, Inc.

IRS Empl. Ident. No.:

20-4337727

Item of Form

Answer

Disclosure Document for Discipline Advisors, Inc.

Item 1. A. (1)

Discipline Portfolios

This program offers clients an asset management account in which the investment advisor representative (IAR) directs and manages specified client assets either on a discretionary basis or upon direction from the client. The IAR will assist the client in determining among other things the Client's investment objectives, time horizon, risk tolerance. Each IAR uses his/her own analysis and research investment style and strategy as well as ongoing management philosophy. The IAR using various asset allocation tools will advise the client as to which securities to buy or sell. IARs will use no-load funds, load-waived funds, ETFs, equities or other securities, or Discipline Advisors, Inc. (DAI) may contract with an outside money manager to act as a sub-advisor on these accounts. The recommended minimum account size is \$50,000, which may be aggregated between multiple accounts. The account minimum may be waived at DAI's discretion.

Program clients receive quarterly performance reports that are posted to the firm's advisor web site, which can be accessed by clients at any time. In addition, DAI, through its clearing firm, transmits trade confirmations and account statements showing all transactions, positions, and all deposits and withdrawals of principal and income. The Client understands and agrees that the Client retains the right to vote all proxies that are solicited for securities held in the Client's account. DAI is expressly precluded from voting proxies for securities held in a Client's program account and will not be required to take any action or render any advice with respect to the voting of proxies.

Participation in this program may cost the client more or less than purchasing program services separately. Factors that impact the overall cost of this program in relation to the cost of the same services purchased separately may include the size of the account, expected size or number of trades, the type of investments and the scope of advisory and other services rendered by the IAR. The IAR receives compensation as a result of the client's participation in this program. The amount of compensation may be more or less than what the Advisor would receive if the client participated in other programs or paid separately for investment advice, brokerage and other client services. Therefore, the IAR may or may not have a financial incentive to recommend this program over other services.

Fees and Charges for Discipline Portfolios

The annual Account Fee may not exceed 2.50% of the value of the portfolio at the time the fee is calculated. In addition, the client may be assessed transaction fees to help defray the costs associated with trade execution. Transaction fees can include, but are not limited to maintenance fees on retirement accounts, redemption charges, safekeeping fees, and other fees as incurred. DAI may retain a portion of this fee to pay the costs of clearing and execution. In addition, if DAI participates as a selling group member of any IPO, selling group concessions may be passed on to the IAR.

Account Fees are negotiable. Account Fees charged by the IAR may be higher or lower than the Account Fees charged by other IARs in this program. The Account Fee is paid to DAI. The Client will pay the Total Annual Account Fee (Fee) in accordance with the fee schedule provided with the client agreement. The Fee includes the Annual Administrative Fee plus the IAR's Fee. DAI will retain the Annual Administrative Fee and the IAR receives the IAR's Investment Advisory Fee according to the Schedule which is acknowledged and signed by the client and is included with the signed client agreement.

After deducting the administrative fee, the IAR's Investment Advisory Fee will be split between the DAI and the IAR based on a payout schedule negotiated between DAI and the IAR and may result in a higher management fee to the client. DAI and the IAR may also utilize the services of cash solicitors in establishing client accounts.

All fees are paid quarterly, in advance, and will be prorated if applicable. An Agreement may be terminated by any

**Schedule F of
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Applicant:

Discipline Advisors, Inc.

SEC File Number:

801- 138938

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3/23/2010

(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:

Discipline Advisors, Inc.

IRS Empl. Ident. No.:

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Item of Form

Answer

party effective upon receipt of written notice to the other parties. If an Agreement is terminated within five business days of signing, any prepaid fees will be refunded in full to the client. If an agreement is terminated after five days, any prepaid fees will be prorated and the Client will receive the unearned portion. All account fees paid to DAI for advice are separate from additional fees and expenses that may be charged to shareholders of mutual funds. See the mutual fund prospectus for detailed information.

Annual Administrative Fee for Discipline Portfolios

First \$50,000 to \$500,000	25 basis points
Next \$500,000 to \$1,000,000	15 basis points
Next \$1,000,000 to \$2,000,000	10 basis points
Over \$2,000,000	5 basis points

Triple Discipline Portfolios

DAI also offers clients a fee-based investment management program, called Triple Discipline Portfolios, through Envestnet Asset Management, Inc. (Envestnet) DAI has entered into an agreement with Envestnet whereby DAI will use an Internet-based platform of asset management. Envestnet in turn has entered into contracts with various money managers (the Money Managers) to develop model portfolios (the Model Portfolios) to include in the program. Envestnet has created a web site for DAI using the DAI name. This web site contains Model Portfolios selected by DAI. The web site also contains online analytical tools to assist IARs in conducting suitability analyses with respect to the client. Based on the results of this analysis, the IAR will assist the client with the selection of one or more Model Portfolios that will meet the clients' investment objectives. Upon entering into a program agreement, the client acknowledges that it is his/her responsibility to provide the IAR with updated information about his/her investment objectives and agrees to notify DAI or the IAR of any changes in his/her circumstances or investment objectives that would cause a change in the Model Portfolios to which his/her account assets have been allocated.

This program offers several different investment alternatives for clients. The SMA offers portfolios of individual stocks and bonds that are managed by Money Managers contracted through Envestnet. Additional money managers may be added and may contract through Envestnet or directly with DAI to provide management services for clients' portfolios. The MAC program combines specialized asset class managers and an overlay manager to oversee an asset allocated portfolio of equities, exchange traded funds and mutual funds. The Mutual Fund Wrap Program offers professionally managed, model portfolios of mutual funds to match the clients' investment objectives.. DAI, through its research and due diligence on the money managers may create customized MAC portfolios that meet the style criteria, but vary from those created by Envestnet. DAI uses the Triple Discipline Strategy to create these model portfolios to offer to clients. DAI also may manage its own portfolio of stocks which it will offer through this program. DAI acts as both advisor and sub-advisor in managing its own portfolio and will market this to clients as the DAI Growth Model.

Envestnet acts as a sub-advisor for these programs. In their capacity as sub-advisor, Envestnet is solely responsible for effecting transactions for DAI clients' accounts based on the Model Portfolios selected by the clients and communicated to Envestnet by DAI including but not limited to the automatic rebalancing of a model portfolio. Transactions executed by Envestnet for DAI clients will mirror those transactions the Money Managers make in their client accounts with the same investment strategy unless a DAI client has placed restrictions on the account. DAI will not vote proxies, but will instead advise Envestnet to vote proxies for securities held in a Client's account. The Client agrees that neither DAI nor Envestnet will be responsible or liable for Envestnet's failure to vote a proxy where Envestnet has not received such proxy or related shareholder communication on a timely basis. In connection with its responsibility to vote client proxies, Envestnet has adopted a set of Proxy Voting Policies and Procedures. The proxy procedures specify that Envestnet will exercise voting rights on all decisions that Envestnet determines have a material effect on the value of

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**

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801- 138938

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3/23/2010

(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:

Discipline Advisors, Inc.

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the securities. Client may obtain a copy of Envestnet's Proxy Voting Policies and Procedures and/or information on how Envestnet voted specific proxies by sending a written request to: Envestnet Asset Management, 35 E. Wacker Dr. #1600, Chicago, IL 60601.

DAI clients are not clients of the Money Managers. The Money Managers have contracted with Envestnet to make their strategies available for use with clients of DAI. In certain circumstances, Envestnet may not follow the Model Portfolios of the Money Managers in investing client funds, due to trading restrictions, insufficient funds or other events. In these situations, Envestnet will use discretion and not mirror the trades of the Money Managers for all or certain of DAI clients.

Fees and Charges

The Client will pay a Total Annual Account Fee (Fee) in accordance with the Schedule provided with the Program Client Agreement. The Fee is the DAI Administrative Fee plus the IAR's Investment Advisory Fee. Transaction costs are not included in the fee, and additional fees may apply as noted in Exhibit A of the Program Client Agreement. The Fee (excluding ticket charges and miscellaneous fees) may not exceed 2.50%. Account Fees are negotiable. Account Fees charged by the IAR may be higher or lower than the Account Fees charged by other IARs in this program. The Account Fee is paid to DAI. The Client will pay the Total Annual Account Fee (Fee) in accordance with the fee schedule provided with the client agreement. The fee includes the Annual Administrative Fee plus the IAR's Fee. DAI will retain the Annual Administrative Fee to cover costs of the program, including costs for services from Envestnet and the Money Managers, and the IAR receives the IAR's Investment Advisory Fee according to the Schedule which is acknowledged and signed by the client and is included with the signed client agreement.

All fees are paid quarterly, in advance, and will be prorated if applicable. An Agreement may be terminated by any party effective upon receipt of written notice to the other parties. If an Agreement is terminated within five business days of signing, any prepaid fees will be refunded in full to the client. If an agreement is terminated after five days, any prepaid fees will be prorated and the Client will receive the unearned portion. If an account is closed within the first year, a \$500 termination fee may be assessed to cover transaction costs. If the client chooses to change managers within the first year, a processing fee of \$500 may be assessed to cover transaction costs. These fees may be waived at DAI's discretion. All account fees paid to DAI for advice are separate from additional fees and expenses that may be charged to shareholders of mutual funds. See the mutual fund prospectus for detailed information. DAI may use the service of solicitors in establishing client accounts.

DAI also manages the DAI Growth Model and uses independent research to select stocks for the portfolio. DAI executes trades for clients in the DAI Growth Model through Fidelity. As a result of DAI being the money manager on this portfolio, a larger portion of the administration fee is retained by DAI. Because of this, a conflict of interest may exist in that the DAI Growth Model may generate higher administrative fees that are retained by DAI to cover the expenses of managing the portfolio.

Annual Administration Fee for Triple Discipline Portfolios**Equity and Balanced SMA and MAC Accounts**

First \$100,000 to 500,000	1.10%
Next \$500,000 to 1,000,000	1.00%
Next \$1,000,000 to 2,000,000	0.85%
Over \$2,000,000	0.80%

Fixed Income SMA and MAC Accounts

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

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

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First \$100,000 to 500,000	0.60%
Next \$500,000 to \$1,000,000	0.55%
Next \$1,000,000 to 2,000,000	0.45%
Over \$2,000,000	0.42%

401(k) Plans

In March 2007, DAI used the MAC portfolios created by DAI using the Envestnet platform to establish four collective investment trust funds through AST Trust Company as trustee. DAI is the sub-advisor to AST Trust for the collective funds, known as the DAI Asset Allocation Portfolios. The four portfolios include a growth, moderate growth, moderate and conservative portfolio. The first three use the historical performance from the custom MAC portfolios created by DAI, the conservative portfolio is newly managed by DAI and therefore has no track record of past performance. (Note: this fund was closed in August 2009 and the assets were liquidated). The nature of collective funds makes them only qualified in 401(k) plans and defined benefit plans. The funds trade on multiple trading platforms. DAI and its representatives may be engaged in offering these funds to 401(k) plan sponsors and their participants as well as wholesaling them to other advisors or record keepers. DAI receives a portion of the administrative costs of the fund for acting as sub-advisor to the funds. As such, a conflict of interest may exist when DAI also acts as the advisor to a plan sponsor. Each fund has five different share classes, which determine the compensation in the form of revenue sharing paid to the advisor or recordkeeper. The share classes range from the 100 share class (no revenue sharing), the 125 share class with 25 basis points of revenue sharing, 150 share class with 50 basis points for revenue sharing, the 175 share class which has 75 basis points of revenue sharing and the 200 share class. The maximum is the 200 share class which provides 100 basis points in revenue sharing to the advisor. The advisor may elect to use some of the revenue sharing amount to offset plan expenses. Fees are negotiable. Fees are billed quarterly in arrears, and the advisory contract may be terminated anytime in writing. Fees will be prorated. For more detailed information on these collective trust funds, refer to the funds' disclosure documents.

Item 1. A. (3)**Written Financial Plans**

DAI may also provide written financial planning upon analysis of individual client needs. The financial planning service involves collection of personal and financial data from the client and providing investment and financial advice based upon such data designed to facilitate achievement of the Client's stated financial objectives. A plan is presented to the Client for his/her review. IARs will make general recommendations as to diversification and other general principles of prudent financial planning. Should a Client choose to implement the recommendations contained in the plan, the IAR will strongly suggest to the Client that he/she work closely with his/her attorney, accountant, insurance agent, and/or stockbroker. Implementation of the financial plan recommendations is entirely at the Client's discretion.

Fees may be fixed or based on an hourly charge at a suggested range from \$50 to \$250 per hour, depending upon the complexity of the plan and what is negotiated between the Client and the IAR. The specific fee arrangement will be described in the Agreement signed by the Client and the IAR. The Client will pay either one half of the estimated total hourly fee or, if the Client elects to pay the flat fee, one half of the flat fee, in advance, with the balance to be paid upon

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Answer

presentation of the financial plan. The Client shall pay all such fees to DAI. The IAR may elect to waive any fee for this service in the event the Client decides to implement the financial plan recommendations by purchasing products that result in a commission or fee paid to the IAR.

IARs also provide consultation on various financial advisory topics that address the Client's financial needs and objectives. Advisors analyze a Client's current financial situation and investment goals, and present strategies and recommendations to help the Client attain his/her stated investment goals. The IAR can discuss with the Client any one or more of the following planning topics: investment planning, insurance planning, retirement planning, estate planning business ownership and succession planning. The IAR may use a variety of tools to provide the agreed upon consulting services. Development of a written plan is not generally included with this consultation service.

Consulting fees may be fixed or based on an hourly charge ranging from \$50.00 to \$250.00 per hour depending upon the complexity of the situation. The Client shall pay all such fees to DAI. A Consulting Fee Invoice must be completed and signed by the IAR and the Client at each consultation. The Client will pay fees upon execution of the Consulting Fee Agreement. The Client will not pay more than \$500 more than six months in advance of service.

The IAR may provide these services without charging a fee.

Item 2. G.

DAI is also the subadvisor for three collective investment trust funds for which Wilmington Trust Company acts as trustee.

Item 3. K. (3)

DAI may invest client funds in partnerships that invest in managed futures.

Item 4. A. (5)

DAI uses various methods to perform analysis of clients' portfolios. DAI performs ongoing due diligence of both the money managers within the program and the program sponsor. This includes regular review of performance, style drift and a review of total assets under management by each manager. DAI may customize the multiple manager accounts by varying the percentage of participation of each manager in the portfolio. and may rebalance the portfolio to be consistent with the original objective. DAI uses correlation analysis to determine the proper mix of managers in the portfolio. The investment committee will meet at least quarterly beginning on or about 7/1/07 and will document the results of those meetings.

DAI also subscribes to periodicals, research newsletters and other reports and uses those recommendations to make decisions on stocks to purchase or sell for clients within the DAI Growth Model portfolio. DAI uses information from Morningstar to review and analyze performance of managers, mutual funds and other investments. DAI uses both technical and fundamental analysis and trading techniques. DAI does not receive any additional compensation from any research providers nor does DAI provide research for a fee.

Item 5.

Each advisor typically has numerous years of experience in the industry and may hold one or more professional

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Discipline Advisors, Inc.	801- 138938	3/23/2010

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designations. Each advisor is required to meet the qualifications for offering investment advice according to the state in which their primary business is conducted. Investment advisor representatives are encouraged to participate in industry meetings and conferences to keep abreast of changes and developments in the industry. New advisors are trained by the home office and also receive on line training on an on-going basis.

Item 6.

Joseph G. Michaletz

Date of Birth: 1962

Education: Minnesota State University, Mankato

Bachelor of Science Degree, Finance, concentration in Insurance and Real Estate

Prior Experience: Investment Advisor Representative and Registered Representative with Transamerica Financial Advisors, Inc. and owner of Michaletz Financial Services, Inc.

Naomi Nagy

Date of Birth: 1954

Education: State University of New York at Albany, 1975

Bachelor of Science, Business Administration, cum laude, concentration in Marketing

Prior Experience: Vice President of Advisory Services, Transamerica Financial Advisors, Inc.

Jann Veroeven

Date of Birth: 1966

Education: South Central Tech

Prior Experience: Investment Advisor Representative and OSJ Manager, Transamerica Financial Advisors, Inc. and Michaletz Financial Services, Inc.

Item 8. C. (1)

Joseph G. Michaletz is a registered representative through Triad Advisors, Inc. and offers securities through Triad Advisors, Inc. Jann Veroeven and Naomi Nagy hold securities licenses through Triad Advisors, Inc. as administrative personnel.

Item 8. C. (9)

Joseph G. Michaletz is also president and CEO of J.G. Michaletz Agency., a general insurance agency offering fixed life insurance, fixed annuities and group benefit products to clients.

Item 9. Code of Ethics

DAI has a code of ethics that is read and signed by each investment advisor representative affiliated with the firm. This is available to all clients upon request.

Item 9. E.

In accordance with DAI's Policies and Procedures Manual as well as the DAI Code of Ethics, all advisors must report all personal securities transactions to DAI. In addition, trading ahead of customer accounts or front-running is strictly prohibited. DAI does not take positions in the securities it offers to clients.

In compliance with Rule 204A-1 under the Investment Advisers Act of 1940, Discipline Advisors, Inc. (DAI) has adopted a Code of Ethics.

It is the responsibility of all investment adviser representatives to ensure that DAI conducts its business with the highest level of ethical standards and in keeping with its fiduciary duties to its clients. All IARs have a duty to maintain DAI's reputation as a firm that operates with the principles of honesty, integrity and professionalism. All IARs also have a

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duty to comply with applicable federal and state securities laws, and must read, know, understand, and follow all policies and procedures prescribed by DAI manuals, bulletins or supervisory directives. IARs have a duty to cooperate with any investigation or inquiry conducted or authorized by DAI. The principles discussed in this Code of Ethics govern all aspects of an IAR's conduct, whether or not the conduct is specifically mentioned in this Code.

Item 10.

The minimum account size for Discipline Portfolios is \$50,000. This can be met through aggregating the balances in related accounts. This minimum may be waived at DAI's discretion. The minimum account size for Triple Discipline Portfolios accounts is generally \$250,000. The minimum can also be met through aggregation of various related accounts. The minimum may be waived at DAI's discretion. Certain multi-asset class portfolios have minimums of \$500,000 to \$1,000,000. Minimums may be waived at the discretion of DAI. There is no minimum for investing 401(k) plan assets into the DAI Collective Funds.

Item 11.A.

Performance information is reviewed by a DAI Advisor and by DAI's Chief Operations Officer or designee. The review process is consistent with DAI's policies and procedures and consists of periodic sampling of accounts so as to detect and prevent irregularities and abuses. The COO will periodically review for correct performance and fee calculations and may review accounts for suitability. Triggering events may be the account value falling below the minimum, frequent withdrawals, or other activity that is inconsistent with the client's original objectives. The IAR, in accordance with stated policies will meet with the client at least annually to discuss the account, review performance and review suitability of the program. Evidence of this annual review will be maintained in the client file.

FINANCIAL PLANNING

After the Client is provided a financial plan by the Advisor, no further review is done of the Client's assets unless otherwise requested by the client, and contracted for a separate fee.

CONSULTING FEE PROGRAM

After the Client receives consulting services by the Advisor, no further review is done of the Client's assets unless otherwise requested by the Client, and contracted under a new Consulting Fee Invoice.

Discipline Portfolios and Triple Discipline Portfolios

The Client will receive quarterly evaluation reports describing account performance and positions. These reports are posted and must be accessed via the internet and will be stored on their account. If the client does not have internet access they may request a printed copy of the report. In addition to the quarterly performance reports, DAI, through its clearing firm sends brokerage statements to clients at least quarterly. Envestnet, through its agreement with DAI, will provide on the web site a quarterly report of the Client's account showing historical performance, positions and activity. These quarterly reports are prepared solely for informational purposes and to assist the Client in reviewing his/her account. In the event of a discrepancy between the information on the account statements produced by the clearing firm and the quarterly reports produced by Envestnet, the clearing firm account statements will control and such discrepancies will be resolved promptly.

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Item 11. B.

Discipline Portfolios and Triple Discipline Portfolios

Performance reports are prepared quarterly for each account and may be delivered electronically or via the mail. In addition, brokerage statements are mailed at least quarterly. Monthly brokerage statements will be mailed if there is sufficient activity in the account. Confirmations are mailed for each trade, however for Triple Discipline Portfolios these confirmations may be suppressed at the clients' request and mailed in the form of a quarterly summary or delivered electronically via the internet. The client would obtain a log in for Fidelity.com to view confirmations and statements.

Item 12. A. (1)

Clients may grant the advisor discretion to rebalance the portfolios in accordance with the model selected. For Discipline Portfolios, this may include buying and selling mutual funds, stocks and bonds to maintain the clients' investment objectives. If a particular security is underperforming or no longer fits the criteria needed to be included in the model, the advisor may substitute another security to maintain the asset allocation.

DAI does not purchase research or provide research to clients other than that used to implement the Discipline Portfolios or the Triple Discipline Portfolios. Clients do not incur additional costs as a result of this research nor do clients pay for this research.

Item 12. A. (2)

DAI offers discretionary accounts on a limited basis through the Triple Discipline Portfolios. DAI has selected certain managers to participate in this program and has created model portfolios using a combination of these managers. Each Model Portfolio will contain different combinations and allocations across the managers, depending on the risk tolerance and investment objectives of the client. DAI may change the allocation of the models or change the managers used in a model at its discretion.

As stated in the Triple Discipline Strategies Client Agreement, upon entering into an agreement the Client grants DAI and Envestnet (through DAI's agreement with Envestnet) full discretion to allocate his/her assets to the Model Portfolio(s) selected by the Client for his/her account, and to take any and all steps necessary to implement the Model Portfolio(s) selected by the Client for his/her account, including, but not limited to, authority to direct the purchase and sale of all securities, and full authority to exercise all rights incidental to ownership of such securities.

Additionally, the Triple Discipline Strategies program is a wrap fee program and therefore the Client may be required to use the clearing and custodial broker described in that program. Generally, the Client pays one fee for all advisory, custodial and trading costs in such an account, and is not receiving any specific research or other products for the fee paid for investment advice.

DAI attempts to obtain the best execution possible for their clients, however, there is no guarantee that it will be accomplished. Clients should consider whether or not this sole appointment of broker/dealer may or may not result in certain disadvantages to the client as a result of possibly less favorable executions.

Item 13. B.

Client Account Fees paid under the Triple Discipline Strategies Program are deducted from client accounts by the clearing firm and retained by the Advisor and DAI. DAI will receive an administrative fee based on the total fee paid by the Client. From the fees collected, DAI shall pay the Envestnet Program Fees and subadvisory fees per an agreement

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between DAI and Envestnet.

DAI may pay a portion of asset management fees to other registered individuals, with whom Solicitor's Agreements have been established. Such compensation will be clearly disclosed to Clients in a Solicitor's Disclosure document, and will be paid pursuant to Rule 206(4)-3 of the Investment Advisers Act of 1940.