

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

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Name of Investment Adviser: FOCUSSHARES, LLC

Address: (Number and Street)	(City)	(State)	(Zip Code)	Area Code:	Telephone number:
210 Summit Avenue Suite C-11,	Montvale,	NJ	07645	(201)	930-8500

This part of Form ADV gives information about the investment adviser and its business for the use of clients.
The information has not been approved or verified by any governmental authority.

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

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

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Applicant:
FocusShares, LLC

SEC File Number:
801- 68371

Date:
09/24/10

- 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 | 100 | % |
| <input type="checkbox"/> | (2) | Manages investment advisory accounts not involving investment supervisory services | | % |
| <input type="checkbox"/> | (3) | Furnishes investment advice through consultations not included in either service described above | | % |
| <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.)

Yes No
☐ ☒

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

- 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 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 type="checkbox"/> A. Individuals | <input 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 checked="" type="checkbox"/> C. Investment companies | <input type="checkbox"/> G. Other (describe on Schedule F) |
| <input type="checkbox"/> D. Pension and profit sharing plans | |

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

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Applicant: FOCUSSHARES, LLC

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Date:
09/24/10

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

- | | |
|---|--|
| <input type="checkbox"/> A. Equity securities | <input checked="" type="checkbox"/> H. United States government securities |
| <input type="checkbox"/> (1) exchange-listed securities | <input type="checkbox"/> I. Options contracts on: |
| <input type="checkbox"/> (2) securities traded over-the-counter | <input type="checkbox"/> (1) securities |
| <input type="checkbox"/> (3) foreign issuers | <input type="checkbox"/> (2) commodities |
| <input type="checkbox"/> B. Warrants | <input type="checkbox"/> J. Futures contracts on: |
| <input 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 type="checkbox"/> E. Certificates of deposit | <input type="checkbox"/> K. Interests in partnerships investing in: |
| <input 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 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 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 type="checkbox"/> Annual reports, prospectuses, filings with the Securities and Exchange Commission |
| (3) <input checked="" type="checkbox"/> Research materials prepared by others | (7) <input type="checkbox"/> Company press releases |
| (4) <input type="checkbox"/> Corporate rating services | (8) <input type="checkbox"/> Other (explain on Schedule F) |

C. The investment strategies used to implement any investment advice 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 type="checkbox"/> Option writing, including covered options,
uncovered options or spreading strategies |
| (3) <input 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).

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Applicant:

FOCUSSHARES LLC

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801-68371

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09/24/10

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 checked="" type="checkbox"/> (2) investment company | <input type="checkbox"/> (8) law firm |
| <input type="checkbox"/> (3) other investment adviser | <input type="checkbox"/> (9) insurance company or agency |
| <input type="checkbox"/> (4) financial planning firm | <input type="checkbox"/> (10) pension consultant |
| <input type="checkbox"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant | <input type="checkbox"/> (11) real estate broker or dealer |

- ☒ (6) banking or thrift institution ☐ (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: FOCUSSHARES, LLC

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9. Participation or Interest in Client Transactions.

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

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

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

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

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

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

(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.

The Advisor's CEO, COO/CCO and CFO monitor the performance of investment advisory accounts on a daily basis. In terms of the investment advisory agreement with the FocusShares Trust the Advisor reports to the Board of Directors on a quarterly basis and the Board independently reviews Advisor, Fund Administor reports.

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

In terms of the advisory services that FocusShares provides to the FocusShares Trust - Exchange Traded Funds are typically purchased by individual/retail investors through a broker/dealer in the secondary market on a National Securities Exchange. Investor's ETF positions are held in safe keeping by their broker/dealer and receive statements on their ETF positions at regular intervals as determined by their Broker/Dealer. In terms of FocusShares other investment advisory client - Scottrade Inc. FocusShares will provide quarterly report related to the performance of the Client's account.

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Applicant:
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12. Investment or Brokerage Discretion.

A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:

- | | Yes | No |
|--|-------------------------------------|--------------------------|
| (1) securities to be bought or sold? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (2) amount of the securities to be bought or sold? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (3) broker or dealer to be used? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (4) commission rates paid? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

B. Does applicant or a related person suggest brokers to clients? ☐ Yes ☒ No

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4) or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

- the products, research and services
- whether clients may pay commissions higher than those obtainable from other brokers in return for those products and services
- whether research is used to service all of applicant's accounts or just those accounts paying for it; and
- any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for product and research services received.

13. Additional Compensation.

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

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

FOCUSSHARES, LLC

SEC File Number:

801- 68371

Date:

09/24/10

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

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:		IRS Empl. Ident. No.: 20-8700178
Item of Form (identify)	Answer	
1A (1)	<p>Advisory Services</p> <p>FocusShares, LLC ("FocusShares") principal service is to provide investment advisor services. FocusShares currently provides investment advisor services to two clients. One client is the FocusShares Trust (a registered investment company). FocusShares Trust has been a client since September 12th 2007. Our other client is Scottrade Inc. an affiliate.</p> <p>FocusShares serves as investment advisor to the FocusShares Trust with the overall responsibility for the general management and administration of the Funds/ETFs, subject to the supervision of the FocusShares Trust/Funds Board of Directors. Under the Investment Advisory Agreement with FocusShares Trust, the Advisor is responsible for arranging fund administration, transfer agency, custody, and all other non-distribution related services for the Funds to operate. FocusShares will provide investment advisory services to the Funds/ETFs but will not provide securities custodial or other administrative services. At no time will FocusShares accept or maintain custody of the Funds/ETFs it manages.</p> <p>FocusShares serves as investment advisor to Scottrade Inc.. Under the investment advisory agreement with Scottrade Inc., FocusShares has overall responsibility for the managing the clients portfolio. The client's investment objective is capital preservation and investments are limited to securities issued by the United States Treasury. FocusShares provides investment advisory to the client but does not provide securities custodial services. At no time will FocusShares accept or maintain custody of the client's securities. The client directs FocusShares as to custodian and broker/dealer with respect to investment transactions and the client is responsible for negotiating and paying fees charged by custodian and broker/dealer.</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:

FOCUSSHARES, LLC

SEC File Number:

801- 68371

Date:

09/24/10

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

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:		IRS Empl. Ident. No.: 20-8700178
Item of Form (identify)	Answer	
1C(1), 1D,	<p>Asset Management Fees: For all investment advisory accounts the Advisor receives an asset based fee.</p> <p>Investment Company Accounts: For the services FocusShares provides to the FocusShares Trust/Funds the Advisor receives a unified advisory fee based on a percentage of the daily net assets of each Fund. The advisory fee is calculated daily and paid monthly in arrears. The Management Fee described in the current FocusShares Trust N1-A registration is .60%. The Management Fee must be approved by the Board of Trustees of the Fund. Out of the advisory fee, the advisor pays all fees and expenses of the Transfer Agent, Fund Administrator and Accounting Agent and the Custodian. The Fund is responsible for the payment of all other expenses associated with its operation, including but not limited to, brokerage expenses, taxes, interest, fees, litigation, indemnification and extraordinary expenses as determined under generally accepted accounting principles. The investment advisory agreement with the Advisor provides termination procedures in accordance with the provisions of the Investment Company Act of 1940.</p> <p>Non-Investment Company Accounts: Corporate/Business Under terms of the Advisor's investment advisory agreement with non investment company clients, fees are calculated daily and paid quarterly in arrears. Under the investment advisory agreement the Advisor provides only investment advisory services and does not custody client securities and does not direct brokerage. The client is responsible for negotiating and paying fees charged by the client's custodian and broker/dealer with respect to transactions. Currently the Advisor has only one non-Investment Company account. FocusShares receives an annual fee of .12% from its only non-Investment Company account. The investment advisory agreement with the Advisor only non-Investment Company account provides for termination by either party at any time upon 10 business days' notice.</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:

FOCUSSHARES, LLC

SEC File Number:

801- 68371

Date:

09/24/10

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

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:		IRS Empl. Ident. No.: 20-8700178
Item of Form (identify)	Answer	
3L, 4A(5), 4B(8), 4C(7)	<p>Investment Company Accounts:</p> <p>The Advisor has an investment advisory agreement with FocusShares Trust a registered investment company. The Advisor will manage the Funds according to the Funds Indexing Investment Objective. The Funds will not be managed according to traditional methods of "active" investment management, which involve the buying and selling of securities based upon economic, financial and market analysis and investment judgement. Instead the Advisor manages the Funds utilizing a "passive" or indexing investment approach, which attempts to approximate the investment performance of an Index by investing in a portfolio of securities that generally replicates an Index.</p>	
5	<p>FocusShares requires that persons providing investment advice be a licensed Investment Advisor Representative with the equivalent of a Series 65 or Series 7 or Series 66 license, or the equivalent professional designation of either a CFP or CFA and have at least five years of business experience.</p>	
6	<p>Name: Erik Liik Date of Birth: Born 1958 Education: BA Political Science, Ramapo College Licenses: Series 7 and 63 Industry Experience: 03/2007 to Present, FocusShares LLC, Chief Executive Officer 01/2001 to 07/2006, American Stock Exchange, Managing Director of the Exchange Traded Fund Group</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:

FOCUSSHARES, LLC

SEC File Number:

801- 68371

Date:

09/24/10

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

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:		IRS Empl. Ident. No.: 20-8700178
Item of Form (identify)	Answer	
8C(1), 8C(6)	<p>Investment Advisory Representatives for FocusShares are also Registered Representatives with Foreside Fund Services, LLC, CRD#46106/SEC #8-51293 an FINRA registered broker/dealer.</p> <p>FocusShares LLC is a wholly owned subsidiary of Scottrade Financial which is organized as a banking/thrift and with a FINRA registered broker/dealer.</p>	
8C(2)	<p>The Advisor has an investment advisory agreement with FocusShares Trust a registered investment company. The Advisor is the sponsor of the FocusShares Trust.</p>	
12A	<p>Investment or brokerage discretion: The Advisor has the authority to supervise and direct the investments of and for each client's account.</p> <p>Investment Company Accounts: As Advisor to the FocusShares Trust a registered investment company, the Advisor will determine which securities are bought or sold for the Funds, the total amount of purchases and sales, the broker/dealers through which the transactions will be effected and the commission rates paid to effect the transaction. The Advisor's authority is be subject to conditions imposed by the Trust and Investment Advisors Act of 1940.</p> <p>Non-Investment Company Accounts: Corporate/Business As Advisor to non-Investment Company client the investment advisory agreement provides that the advisor will determine which securities are bought or sold for the client and the total amount of purchases or sales. The Advisors authority may be subject to conditions imposed by the client, e.g. where the client restricts investments to certain securities.</p> <p>The client will determine the broker/dealer to be used and the commission rates paid.</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:

FOCUSSHARES, LLC

SEC File Number:

801- 68371

Date:

09/24/10

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

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:		IRS Empl. Ident. No.: 20-8700178
Item of Form (identify)	Answer	
12B	<p>Selection of Broker and Dealer:</p> <p>Investment Company Clients:</p> <p>When the Advisor selects the broker dealers, the Advisor shall use its best judgement to obtain the best overall terms available. In assessing the best overall terms available for any transaction, the Advisor shall consider all factors it deems relevant. Such factors include, but are not limited to the breath of the market in the security, the price of the security, the financial condition and execution capability of the broker dealer and the reasonableness of the commission for the specific transaction and on a continuing basis.</p> <p>Under terms of investment advisory agreement and the Investment Advisor Act of 1940 the Board of Trustees must approve procedures for directed brokerage.</p> <p>Non-Investment Company Clients: Corporation/Business</p> <p>Under terms of the Advisors investment advisory agreement with non-Investment Company clients, the Advisor does not recommend or select the broker/dealer to be used or commission rates to be paid for non-Investment Company clients.</p>	

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