

OMB APPROVAL	
OMB Number:	3235-0049
Expires:	February 28, 2011
Estimated average burden hours per response.....	4.07

FORM ADV

Uniform Application for Investment Adviser Registration

Part II - Page 1

Name of Investment Adviser: Adams Ashby Financial Advisors				
Address: (Number and Street) 641 Fulton Ave., Suite 200	(City) Sacramento	(State) CA	(Zip Code) 95825	Area Code: Telephone Number: (916) 333-5989

**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.**

Table of Contents

<u>Item Number</u>	<u>Item</u>	<u>Page</u>
1	Advisory Services and Fees	2
2	Types of Clients	2
3	Types of Investments	3
4	Methods of Analysis, Sources of Information and Investment Strategies	3
5	Education and Business Standards	4
6	Education and Business Background	4
7	Other Business Activities	4
8	Other Financial Industry Activities or Affiliations	4
9	Participation or Interest in Client Transactions	5
10	Conditions for Managing Accounts	5
11	Review of Accounts	5
12	Investment or Brokerage Discretion	6
13	Additional Compensation	6
14	Balance Sheet	6
	Continuation Sheet	Schedule F
	Balance Sheet, if required.	Schedule G

(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.)

FORM ADV**Part II - Page 2**

Applicant:

Adams Ashby Financial Advisors

SEC File Number:

801-70006

Date:

12/2010

Definitions for Part II

Related person - Any officer, director or partner of applicant or any person directly or indirectly controlling, controlled by, or under common control with the applicant, including any non-clerical, non-ministerial employee.

Investment Supervisory Services - Giving continuous investment advice to a client (or making investments for the client) based on the individual needs of the client. Individual needs include, for example, the nature of other client assets and the client's personal and family obligations.

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. Approx.
(See instruction below.)

- Applicant:
- | | | | |
|-------------------------------------|-----|-----------------------------------------------------------------------------------------------------------------------------------------------------------|-----|
| <input checked="" type="checkbox"/> | (1) | Provides investment supervisory services | 60% |
| <input checked="" type="checkbox"/> | (2) | Manages investment advisory accounts not involving investment supervisory services | 30% |
| <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 checked="" type="checkbox"/> | (9) | Furnishes advice about securities in any manner not described above | 10% |

(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 |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> |

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

- | | | | | | |
|-------------------------------------|-----|----------------------------------------------|--------------------------|-----|-------------------|
| <input checked="" type="checkbox"/> | (1) | A percentage of assets under management | <input type="checkbox"/> | (4) | Subscription fees |
| <input 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 checked="" type="checkbox"/> | A. | Individuals | <input checked="" type="checkbox"/> | E. | Trusts, estates, or charitable organizations |
| <input type="checkbox"/> | B. | Banks or thrift institutions | <input checked="" type="checkbox"/> | F. | Corporations or business entities other than those listed above |
| <input type="checkbox"/> | C. | Investment companies | <input type="checkbox"/> | G. | Other (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).

FORM ADV**Part II - Page 3**

Applicant:

Adams Ashby Financial Advisors

SEC File Number:

801-70006

Date:

12/2010

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

- | | |
|----------------------------------------------------------------------------|----------------------------------------------------------------------------|
| <input checked="" type="checkbox"/> A. Equity Securities | <input checked="" type="checkbox"/> H. United States government securities |
| <input checked="" type="checkbox"/> (1) exchange-listed securities | |
| <input checked="" type="checkbox"/> (2) securities traded over-the-counter | <input checked="" type="checkbox"/> I. Options contracts on: |
| <input checked="" type="checkbox"/> (3) foreign issues | <input checked="" type="checkbox"/> (1) securities |
| | <input type="checkbox"/> (2) commodities |
| <input type="checkbox"/> B. Warrants | |
| <input checked="" type="checkbox"/> C. Corporate debt securities | <input type="checkbox"/> J. Futures contracts on: |
| (other than commercial paper) | <input type="checkbox"/> (1) tangibles |
| | <input type="checkbox"/> (2) intangibles |
| <input checked="" type="checkbox"/> D. Commercial paper | |
| <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"/> (2) oil and gas interests |
| <input checked="" type="checkbox"/> G. Investment company securities | <input type="checkbox"/> (3) other (explain on Schedule F) |
| <input checked="" type="checkbox"/> (1) variable life insurance | <input type="checkbox"/> L. Other (explain on Schedule F) |
| <input checked="" type="checkbox"/> (2) variable annuities | |
| <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 type="checkbox"/> Other (explain on Schedule F) |
| (3) <input checked="" type="checkbox"/> Technical | |

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

- | | |
|-------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|
| (1) <input checked="" type="checkbox"/> Financial newspapers and magazines | (5) <input checked="" type="checkbox"/> Timing services |
| (2) <input 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 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 checked="" type="checkbox"/> Short sales | |

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

FORM ADV**Part II - Page 4**

Applicant:

Adams Ashby Financial Advisors

SEC File Number:

801-70006

Date:

12/2010

5. Education and Business Standards.

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

Yes No
☒ ☐

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

6. Education and Business Background.

For:

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

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

FORM ADV
Part II - Page 5

Applicant:	SEC File Number:	Date:
Adams Ashby Financial Advisors	801-70006	12/2010

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.)

- 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.

Jeffrey Adams, President and Chief Compliance Officer, Peter Ashby, Investment Adviser Representative, and Nina Adams, Investment Adviser Representative will review all accounts at least on a quarterly basis. More frequent reviews may be necessary due to the client's individual circumstances, economic conditions, general factors affecting the stock market etc.

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

Clients will receive transaction confirmations and quarterly statements from their account custodians. Collectively, these reports will list client's account holdings, transactions and fees paid to Adams Ashby Financial Advisors.

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

FORM ADV**Part II - Page 6**

Applicant:	SEC File Number:	Date:
Adams Ashby Financial Advisors	801-70006	12/2010

12. Investment or Brokerage Discretion.

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

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

Adams Ashby Financial Advisors

SEC File Number:

801- 70006

Date:

12/2010

(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: AF Advisors, Inc.		IRS Empl. Ident. No.:
Item of Form (identify)	Answer	

Item 1D	<p><u>ADVISORY SERVICES AND FEES</u></p> <p>Adams Ashby Financial Advisors (hereinafter “Adviser” or “AFA”) is a corporation formed under the laws of the State of California and an Investment Adviser registered with the State of California. Adviser offers investment advisory services to individuals, high net worth individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and other businesses. This Schedule F narrative provides clients with information regarding Adviser and the qualifications, business practices, and nature of advisory services that should be considered before becoming an advisory client of Adviser.</p> <p>Please contact Jeffrey Adams, President and Chief Compliance Officer, if you have any questions about this Schedule F narrative. Additional information about Adviser is available on the Internet at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. The CRD number for Adviser is 149683.</p> <p>Individuals associated with Adviser will provide its investment advisory services. These individuals are appropriately licensed, qualified, and authorized to provide advisory services on behalf of Adviser. Such individuals are known as Investment Adviser Representatives (IARs).</p>
Item 1D	<p><u>ADVISORY SERVICES AND FEES</u></p> <p><u>Portfolio Management</u></p> <p>Adviser will emphasize continuous and regular account supervision. Adviser may create a portfolio, consisting of individual stocks or bonds; exchange traded funds, mutual funds and other securities. Our investment strategy will be tailored to the individual needs of the Client. Each portfolio will be initially designed to meet a particular investment goal, which Adviser has determined to be suitable to the Client’s circumstances. Once the appropriate portfolio has been determined, Adviser will review the portfolio at least quarterly and if necessary, rebalance the portfolio based upon the Client’s individual needs, stated goals and objectives. However, each Client will have the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio.</p> <p>Adviser’s annual fees for investment management services provided under this Agreement shall be based on the market value of the assets under management and shall be calculated at up to 1.25% of all assets under management.</p> <p>These annual fees shall be negotiable in certain cases and be pro-rated and paid in advance on a quarterly basis. No increase in the annual fee shall be effective without prior written notification to the Client. Clients are responsible for custodial fees and transaction costs. In the event that the Client terminates Adviser’s services before the</p>

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

Contents © Copyright 2010 by Advanced Regulatory Compliance, Inc. All rights reserved.

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:

Adams Ashby Financial Advisors

SEC File Number:

801- 70006

Date:

12/2010

(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: AF Advisors, Inc.		IRS Empl. Ident. No.:
Item of Form (identify)	Answer	

Item 1D (Continued)	<p>end of a calendar quarter, Client shall be assessed a pro-rata fee based on the number of days the Client's account was managed by Adviser.</p> <p>Unless the Client requests direct billing, fees will be automatically deducted from the account. Clients will be provided with a quarterly statement reflecting deduction of the advisory fee.</p> <p>Clients will be provided with a quarterly statement from account custodian reflecting deduction of the advisory fee. Adviser sends a copy of Client invoice to the custodian or trustee at the same time that Adviser sends a copy to the client. The custodian sends quarterly statements to Adviser's clients showing all disbursements for the custodian account, including the amount of the advisory fees. Clients provide written authorization permitting Adviser to be paid directly for their accounts held by the custodian or trustee.</p> <p>Pursuant to CCR Section 260.238(j), Adviser hereby discloses that Clients may receive the same or comparable services from other financial advisors at a lower fee.</p> <p>Pursuant to California Code of Regulations, 10 CCR Section 260.235.2, AFA discloses that it may utilize various firms for the execution of securities transactions and to custody assets. In certain cases, Advisor may recommend that clients execute transactions through unaffiliated broker-dealers further described in Item 12.B of Schedule F. In any event, Client is under no obligation to act upon Advisor's recommendations and if the Client elects to act on any of the recommendations, the Client is under no obligation to effect the transaction through Advisor, or any of the unaffiliated broker-dealers listed in Item 12.B of Schedule F.</p> <p>Either party may terminate the agreement at any time by providing written notice to the other party. Full refunds will only be made in cases where cancellation occurs within five (5) business days of signing the Adviser's investment advisory agreement. After five (5) business days, clients will receive pro-rata refunds, which take into account work completed by the Adviser on behalf of the client. The client will incur charges for bona fide advisory services rendered to the point of termination and such fees will be due and payable by the client. Refunds will be given on a pro-rata basis.</p> <p>Adviser's fee schedule does not include the following separately billed fees, which adviser does not receive any part of: mutual fund expenses, trading and custodial costs. These fees will be separately charged by the relevant parties and borne by the Client.</p> <p>No portion of Adviser's compensation shall be based on capital gains or capital appreciation of the Assets except as provided for under California state statutes and rules.</p>
------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

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

Contents © Copyright 2010 by Advanced Regulatory Compliance, Inc. All rights reserved.

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:

Adams Ashby Financial Advisors

SEC File Number:

801- 70006

Date:

12/2010

(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: AF Advisors, Inc.		IRS Empl. Ident. No.:
Item of Form (identify)	Answer	

Item 1D (Continued)	<p>Adviser will adhere to California state statutes and rules in the event that orders are aggregated.</p> <p><u>Wrap Account Portfolio Management</u></p> <p>Adviser may also offer its portfolio management service on a wrapped fee program. Adviser will emphasize continuous and regular account supervision. Adviser may create a portfolio, consisting of individual stocks or bonds; exchange traded funds, mutual funds and other securities. Our investment strategy will be tailored to the individual needs of the Client. Each portfolio will be initially designed to meet a particular investment goal, which Adviser has determined to be suitable to the Client's circumstances. Once the appropriate portfolio has been determined, Adviser will review the portfolio at least quarterly and if necessary, rebalance the portfolio based upon the Client's individual needs, stated goals and objectives. However, each Client will have the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio.</p> <p>Adviser's annual fees for investment management services provided under this Agreement shall be based on the market value of the assets under management and shall be calculated at up to 1.50% of all assets under management. These annual fees shall be negotiable in certain cases and be pro-rated and paid in advance on a quarterly basis. No increase in the annual fee shall be effective without prior written notification to the Client. In the event that the Client terminates Adviser's services before the end of a calendar quarter, Client shall be assessed a pro-rata fee based on the number of days the Client's account was managed by Adviser.</p> <p>Unless the Client requests direct billing, fees will be automatically deducted from the account. Clients will be provided with a quarterly statement reflecting deduction of the advisory fee.</p> <p>Either party may terminate the agreement at any time by providing written notice to the other party. Full refunds will only be made in cases where cancellation occurs within five (5) business days of signing the Adviser's investment advisory agreement. After five (5) business days, clients will receive pro-rata refunds, which take into account work completed by the Adviser on behalf of the client. The client will incur charges for bona fide advisory services rendered to the point of termination and such fees will be due and payable by the client. Refunds will be given on a pro-rata basis.</p> <p>This account is a wrap account, the Client will not incur transaction charges imposed by unaffiliated third parties. The Client may pay custodial fees, charges imposed directly by a mutual fund, index fund, or exchange traded fund which shall be disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses), wire transfer fees and other fees and taxes on brokerage accounts and</p>
------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

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

Contents © Copyright 2010 by Advanced Regulatory Compliance, Inc. All rights reserved.

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:

Adams Ashby Financial Advisors

SEC File Number:

801- 70006

Date:

12/2010

(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: AF Advisors, Inc.		IRS Empl. Ident. No.:
Item of Form (identify)	Answer	

Item 1D (Continued)	<p>securities transactions.</p> <p>Further details about the wrap fees charged by Adviser for the Program accounts may be found in Schedule H of this Form ADV.</p> <p>No portion of Adviser's compensation shall be based on capital gains or capital appreciation of the Assets except as provided for under California state statutes and rules.</p> <p>Adviser will adhere to California state statutes and rules in the event that orders are aggregated.</p> <p><u>Pension Consulting Services</u></p> <p>Pension Consulting consists of assisting employer plan sponsors establish, monitor and review their company's participant-directed retirement plan. As the needs of the plan sponsor dictate, areas of advising could include: investment options, plan structure, participant education.</p> <p>Adviser's annual fees for pension consulting services provided under this Agreement shall be based on the market value of the assets under management and shall generally be calculated at 1.25% of all assets under management.</p> <p>The fee for investment management will be based on the time weighted value of the account for the previous quarter and is payable quarterly in advance. The first advisory fee is based on the value of the account on the first day of management by Adviser and is payable within one month after execution of the agreement. The first advisory fee will be assessed on pro-rata basis taking into account the time for which the account was not managed by Adviser and the time left in the quarter. Fees will be automatically deducted from the account. Clients will be provided with a quarterly statement reflecting deduction of the advisory fee as well as an advance invoice from Adviser (sent to the custodian simultaneously) detailing the amount and calculation of the advisory fee.</p> <p>In addition to Adviser's advisory fee, the Client may also incur certain charges imposed by unaffiliated third parties. Such charges include, but are not limited to, custodial fees, brokerage commissions, transaction fees, charges imposed directly by a mutual fund, index fund, or exchange traded fund purchased for the account which shall be disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses), wire transfer fees and other fees and taxes on brokerage accounts and securities transactions.</p> <p>All pension consulting services shall be in compliance with California state statutes and rules thereunder, regulating the services provided by this Agreement. This section applies to an Account that is a pension or other employee benefit plan (a</p>
------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

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

Contents © Copyright 2010 by Advanced Regulatory Compliance, Inc. All rights reserved.

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:

Adams Ashby Financial Advisors

SEC File Number:

801- 70006

Date:

12/2010

(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: AF Advisors, Inc.		IRS Empl. Ident. No.:
Item of Form (identify)	Answer	

Item 1D (Continued)	<p>“Plan”) governed by the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). If the Account is part of a Plan and we accept appointments to provide Adviser’s services to such Account, Adviser acknowledges that it is a fiduciary within the meaning of Section 3(21) of ERISA (but only with respect to the provision of services described in section 1 of this agreement). Client represents that (i) Adviser’s appointment and services are consistent with the Plan documents, (ii) Client has furnished Adviser true and complete copies of all documents establishing and governing the Plan and evidencing your authority to retain Adviser. Client further represents that he/she/it will promptly furnish Adviser with any amendments to the Plan, and Client agrees that, if any amendment affects our rights or obligations, such amendment will be binding on Adviser only with our prior written consent. If the Account contains only a part of the assets of the Plan, Client understand that Adviser will have no responsibilities for the diversification of all the Plan’s investments, and Adviser will have no duty, responsibility or liability for the assets that are not in the account. If ERISA or other applicable law requires bonding with respect to the assets in the account, Client will obtain and maintain at his/her/its expense bonding that satisfies this requirement and covers Adviser and any of our affiliates.</p> <p>Either party may terminate the agreement at anytime by providing written notice to the other party within five (5) days of signing the Advisor’s Pension Consulting agreement. The client will incur charges for bona fide advisory services rendered to the point of termination and such fees will be due and payable by the client. Refunds will be given on a pro-rata basis.</p> <p><u>Selection, Recommendation, Due Diligence, Performance Reporting of Third Party Advisory Service</u></p> <p>In order to assist the Client in the selection of a Third Party Advisory Service, Adviser will typically gather information from the Clients about the Client’s financial situation, investment objectives, and reasonable restrictions the Client wants imposed on the management of the account. Adviser will not offer advice on any specific securities or other investments in connection with this service.</p> <p>Adviser will periodically review reports provided to the Clients, but no less often than on a quarterly basis. The Investment Advisory Representatives of Adviser will contact the Client periodically, as agreed to with the Clients, in order to review the Client’s financial situation and objectives; communicate information to the Third Party Advisory Service managing the account as warranted; and, assist the Clients in understanding and evaluating the services provided by the Third Party Advisory Service. Clients will be expected to notify Adviser of any changes in their financial situation, investment objectives, or account restrictions. Clients may also contact directly the Third Party Adviser managing the account or sponsoring the program.</p>
------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

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

Contents © Copyright 2010 by Advanced Regulatory Compliance, Inc. All rights reserved.

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:

Adams Ashby Financial Advisors

SEC File Number:

801- 70006

Date:

12/2010

(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: AF Advisors, Inc.		IRS Empl. Ident. No.:
Item of Form (identify)	Answer	

Item 1D (Continued)	<p>Prior to referring clients to third party advisers, Adviser will ensure that Third Party Advisers are appropriately licensed or registered as investment advisers.notice filed with the Department of Corporations.</p> <p>Adviser receives compensation pursuant to its agreements with these Third Party Advisory Programs for introducing Clients to these Third Party Advisory Programs and for certain ongoing services provided to Clients. This compensation, which is disclosed to the Client in a separate disclosure document provided by the Third Party Advisory Program, is typically equal to a percentage of the investment advisory fee charged by that Third Party Advisory Program or a fixed fee.</p> <p><u>Additional Information Concerning Fees</u></p> <p>In certain circumstances, advisory fees and account minimums may be negotiable based upon prior relationships as well as related account holdings. The fees charged are calculated as described above and are not charged on the basis of a share of capital gains or capital appreciation of the funds or any portion of the funds of an advisory Client.</p> <p>All fees paid to Adviser for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. These fees and expenses are described in each fund's prospectus. Such fees will generally include a management fee, other fund expenses and a possible distribution fee. If the fund also imposes sales charges, a Client may pay an initial or deferred sales charge.</p> <p>A Client could invest in a mutual fund directly, without the services of Adviser. In that case, the Client would not receive the services provided by Adviser which are designed, among other things, to assist the Client in determining which mutual fund or funds are most appropriate to the Client's financial condition and objectives. Accordingly, the Clients should review both the fees charged by the funds and the fees charged by Adviser to fully understand the total amount of fees to be paid by the Clients and to thereby evaluate the advisory services being provided. Advisory recommendations are based on the Client's financial situation at the time the services are provided and are based on financial information disclosed by the Client to Adviser. Clients are advised that certain assumptions may be made with respect to interest and inflation rates and the use of past trends and performance of the market and economy. Past performance is in no way an indication of future performance. As the Client's financial situation, goals, objectives, or needs change, the Client must notify Adviser promptly.</p> <p>In performing its services, Adviser shall not be required to verify any information received from the Client or from the Client's other professionals, and is expressly authorized to rely thereon. The Client is free to accept or reject any recommendation made by Adviser. Moreover, each Client is advised that it remains his/her/its responsibility to promptly notify Adviser if there is ever any change in his/her/its</p>
------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

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

Contents © Copyright 2010 by Advanced Regulatory Compliance, Inc. All rights reserved.

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:

Adams Ashby Financial Advisors

SEC File Number:

801- 70006

Date:

12/2010

(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: AF Advisors, Inc.		IRS Empl. Ident. No.:
Item of Form (identify)	Answer	

Item 1D (Continued)	<p>financial situation or investment objectives for the purpose of reviewing/evaluating/revising Adviser's previous recommendations and/or services. Adviser's Clients are advised to promptly notify Adviser if there are ever any changes in their financial situation or investment objectives, or if they wish to impose any reasonable restrictions upon Adviser's management services.</p> <p>A copy of the written disclosure statement for Adviser, as set forth on Part II of Form ADV, shall be provided to each Client prior to, or contemporaneously with, the execution of the Investment Advisory Agreement. Any Client who has not received a copy of Adviser's written disclosure statement at least forty-eight (48) hours prior to executing the initial applicable agreement shall have five (5) business days subsequent to executing the agreement to terminate Adviser's services without penalty.</p> <p>Neither Adviser nor the Client may assign the Investment Advisory Agreement without the prior written consent of the other party. Transactions that do not result in a change of actual control or management of Adviser shall not be considered an assignment.</p>
Item 5	<p><u>EDUCATION AND BUSINESS STANDARDS</u></p> <p>All individuals that render investment advisory services on behalf of Adviser must have earned a college degree and/or have substantive investment-related experience. In addition, all such individuals shall have attained all required investment-related licenses and/or designations.</p>
Item 6	<p><u>EDUCATIONAL AND BUSINESS BACKGROUND</u></p> <p><i>Jeffrey Sherburne Adams</i> <i>Born 1963</i></p> <p><u>Business Experience</u></p> <ul style="list-style-type: none">• 03/2009 - Present, Adams Ashby Financial Advisors, President and Chief Compliance Officer• 10/2004 - 03/2009, Citicorp Global Markets, Inc., Financial Advisor• 01/1996 – 10/2004, Morgan Stanley DW Inc., Financial Advisor <p><u>Educational Background</u></p> <ul style="list-style-type: none">• 1985, U.C. Berkeley, BA in Economics <p><u>Professional Designations</u></p> <ul style="list-style-type: none">• Certified Public Accountant

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

Contents © Copyright 2010 by Advanced Regulatory Compliance, Inc. All rights reserved.

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:

Adams Ashby Financial Advisors

SEC File Number:

801- 70006

Date:

12/2010

(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:

AF Advisors, Inc.

IRS Empl. Ident. No.:

Item of Form
(identify)

Answer

Item 6
(Continued)

Exams

- 1996 - Series 7, 31, 63 & 65

Peter Joshua Ashby

Born 1980

Business Experience

- 04/2009 - Present, Adams Ashby Financial Advisors, Investment Advisory Representative
- 02/2007 - 03/2009, Citicorp Global Markets, Inc., Financial Advisor
- 07/2005 – 01/2007, ADP, District Manager
- 06/2004 – 10/2004, 24 Hour Fitness, Sales Counselor

Educational Background

- 2004, California State University, Chico, BA in History

Exams

- 2007 - Series 7, 66

Nina Engineer Adams

Born 1963

Business Experience

- 03/2010 – Present, Adams Ashby Financial Advisors, Investment Adviser Representative
- 10/2004 – 01/2007, Smith Barney, Inc., Vice President
- 06/1992 – 10/2004, Morgan Stanley, Inc., Vice President

Educational Background

- 1985, University of California, Santa Barbara, BS in BioPsychology

Professional Designations

- 2006 – Retirement Planning Specialist

Exams

- 2010 – Series 65

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

Contents © Copyright 2010 by Advanced Regulatory Compliance, Inc. All rights reserved.

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:

Adams Ashby Financial Advisors

SEC File Number:

801- 70006

Date:

12/2010

(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: AF Advisors, Inc.		IRS Empl. Ident. No.:
Item of Form (identify)	Answer	

Item 9E, and
Miscellaneous**PARTICIPATION OR INTEREST IN CLIENTS' TRANSACTIONS*****Code of Ethics***

Adviser and/or its representatives may buy or sell for their personal account(s) investment products identical to those recommended to clients. It is the expressed policy of Adviser that neither Adviser, nor its representatives may purchase or sell any individual stock or bond prior to a transaction(s) being implemented for an advisory account. This policy is meant to prevent Adviser and/or its representatives from benefiting as a result of transactions placed on behalf of advisory accounts. Adviser has established the following restrictions in order to ensure its fiduciary responsibilities to clients are met:

- 1) Adviser's representatives shall not buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by their role as an Investment Advisory Representative of Adviser, unless the information is also available to the investing public on reasonable inquiry. In no case, shall Adviser's representatives prefer their own interest to that of their advisory clients(1,2).
- 2) Adviser emphasizes the unrestricted right of its clients to decline to implement any advice rendered.
- 3) Adviser recognizes it must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.

Footnotes

(1) This investment policy has been established recognizing that some securities being considered for purchase and sale on behalf of Adviser's clients trade in sufficiently broad markets to permit transactions by clients to be completed without an appreciable impact on the markets of the securities. Under certain circumstances, exceptions may be made to the policies stated above. Records of these trades, including the reasons for the exceptions, will be maintained with Adviser's records in the manner set forth above.

(2) Open-end mutual funds and/or the investment sub-accounts which may comprise a variable insurance product are purchased or redeemed at a fixed net asset value price per share specific to the date of purchase of redemption. As such, transactions in mutual funds and/or variable insurance products by Adviser are not likely to have an impact on the prices of the fund shares in which clients invest, and are therefore not prohibited by Adviser's Investment policies and procedures.

This disclosure is provided to give all Clients a summary of Adviser's Code of Ethics. However, if a client or a potential client wishes to review Adviser's Code of Ethics in its entirety, a copy will be provided promptly upon request.

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

Contents © Copyright 2010 by Advanced Regulatory Compliance, Inc. All rights reserved.

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:

Adams Ashby Financial Advisors

SEC File Number:

801- 70006

Date:

12/2010

(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:

AF Advisors, Inc.

IRS Empl. Ident. No.:

Item of Form
(identify)

Answer

Item 9E, and
Miscellaneous
(Continued)***Insider Trading***

In accordance with California state statutes and rules, Adviser also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by Adviser.

Proxy Voting

Adviser does not vote Client proxies. However, money managers selected by Adviser may vote proxies for Clients. Therefore, except in the event a money manager votes proxies, Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the Client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the Client's investment assets. Therefore (except for proxies that may be voted by a money manager), Adviser and/or the Client shall instruct the Client's qualified custodian to forward to the Client copies of all proxies and shareholder communications relating to the Client's investment assets.

Conflicts of Interest

All material conflicts of interest under CCR Section 260.238 (k) are disclosed regarding the investment adviser, its representatives or any of its employees, which could be reasonably expected to impair the rendering of unbiased and objective advice.

Jeffrey Adams' Other Business Activities

Mr. Adams is licensed to sell insurance and annuities, and may engage in commissionable insurance or annuities product sales with the Adviser's clients, for which he may receive compensation.

Item 12A

INVESTMENT OR BROKERAGE DISCRETION

Adviser generally utilizes discretion. Adviser may have the authority to determine, without obtaining specific Client consent, the securities to be bought or sold and amount of the securities to be bought or sold.

Items 12B & 13A

SUGGESTION OF BROKERS/ADDITIONAL COMPENSATION

Adviser may recommend that Clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Co., Inc. ("Schwab"), registered broker-dealers, Members SIPC, to maintain custody of Clients' assets and to effect trades for their accounts. Adviser is independently owned and operated and not affiliated with Schwab. Adviser may also recommend that Clients establish accounts with firms other than Schwab.

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

Contents © Copyright 2010 by Advanced Regulatory Compliance, Inc. All rights reserved.

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:

Adams Ashby Financial Advisors

SEC File Number:

801- 70006

Date:

12/2010

(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: AF Advisors, Inc.		IRS Empl. Ident. No.:
Item of Form (identify)	Answer	

Items 12B & 13A
(Continued)

Schwab may provide Adviser with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor's Clients' assets are maintained in accounts at Schwab Institutional, *and are not otherwise contingent upon Adviser committing to Schwab any specific amount of business (assets in custody or trading)*. Schwab's services include brokerage, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or require a significantly higher minimum initial investment. For Adviser's Client accounts maintained in its custody, Schwab *generally* does not charge separately for custody but is compensated by account holders through commissions, transaction-related or asset based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab also makes available to Adviser other products and services that benefit Adviser but may not benefit its Clients' accounts. Some of these other products and services assist Adviser in managing and administering Clients' accounts. These include software and other technology that provide access to Client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple Client accounts), provide research, pricing information and other market data, facilitate payment of Adviser's fees from its Clients' accounts, and assist with back-office functions, recordkeeping and Client reporting. Many of these services generally may be used to service all or a substantial number of Adviser's accounts, including accounts not maintained at Schwab Institutional.

In addition, Schwab Institutional also makes available to Adviser other services intended to help Adviser manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing. In addition, Schwab may make available, arrange and/or pay for these types of services rendered to Adviser by independent third parties. Schwab Institutional may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to Adviser. While as a fiduciary, Adviser endeavors to act in its Clients' best interests, Adviser's recommendation that Clients maintain their assets in accounts at Schwab may be based in part on the benefit to Adviser of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

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

Contents © Copyright 2010 by Advanced Regulatory Compliance, Inc. All rights reserved.

**Schedule H of
Form ADV
Page 1**

Applicant: Adams Ashby Financial Advisors	SEC File Number: 801-70006	Date: 12/2010
----------------------------------------------------------------	------------------------------------------	------------------------------------

(for sponsors of wrap fee programs)

<p>Name of wrap fee program or programs described in attached brochure: AF Advisors, Inc.'s Wrap Fee Program</p>	
<p>1. Applicability of Schedule. This Schedule must be completed by applicants that are compensated under a wrap fee program for sponsoring, organizing, or administering the program, or for selecting, or providing advice to clients regarding the selection of, other investment advisers in the program ("sponsors"). A wrap fee program is any program under which a specified fee or fees not based directly upon transactions in a client's account is charged for investment advisory services (which may include portfolio management or advice concerning the selection of other investment advisers) and execution of client transactions.</p>	
<p>2. Use of Schedule. This Schedule sets forth the information the sponsor must include in the wrap fee brochure it is required to deliver or offer to deliver to clients and prospective clients of its wrap fee programs under Rule 204-3 under the federal Advisers Act and similar rules of the jurisdictions. The wrap fee brochure prepared in response to this Schedule must be filed with the Commission and the jurisdictions as part of Form ADV by completing the identifying information on this Schedule and attaching the brochure. Brochures should be prepared separately, not on copies of this Schedule. Any wrap fee brochure filed with the Commission as part of an amendment to Form ADV shall contain in the upper right hand corner of the cover page the sponsor's registration number (801- ...).</p>	
<p>3. General Contents of Brochure. Unlike Parts I and II of this form, this Schedule is not organized in "check-the-box" format. These instructions, including the requests for information in Item 7 below, should not be repeated in the brochure. Rather, this Schedule describes minimum disclosures that must be made in the brochure to satisfy the sponsor's duty to disclose all material facts about the sponsor and its wrap fee programs. Nothing in this Schedule relieves the sponsor from any obligation under any provision of the federal Advisers Act or rules thereunder, or other federal or state law to disclose information to its advisory clients or prospective advisory clients not specifically required by this Schedule.</p>	
<p>4. Multiple Sponsors. If two or more persons fall within the definition of "sponsor" in Item 1 above for a single wrap fee program, only one such sponsor need complete the Schedule. The sponsors may choose among themselves the sponsor that will complete the Schedule.</p>	
<p>5. Omission of Inapplicable Information. Any information not specifically required by this Schedule that is included in the brochure should be applicable to clients and prospective clients of the sponsor's wrap fee programs. If the sponsor is required to complete this Schedule with respect to more than one wrap fee program, the sponsor may omit from the brochure furnished to clients and prospective clients of any wrap fee program or programs information required by this Schedule that is not applicable to clients or prospective clients of that wrap fee program or programs. If a sponsor of more than one wrap fee program prepares separate wrap fee brochures for clients of different programs, each brochure prepared must be filed with the Commission and the jurisdictions attached to a separate copy of this Schedule. Each such brochure must state that the sponsor sponsors other wrap fee programs and state how brochures for those programs may be obtained.</p>	
<p>6. Updating. Sponsors are required to file an amendment to the brochure promptly after any information in the brochure becomes materially inaccurate. Amendments may be made by use of a "sticker," <i>i.e.</i>, a supplement affixed to the brochure that indicates what information is being added or updated and states the new or revised information, as long as the resulting brochure is readable. Stickers should be dated and should be incorporated into the text of the brochure when the brochure itself is revised.</p>	
<p>7. Contents of Brochure. Include in the brochure prepared in response to this Schedule:</p> <ul style="list-style-type: none"> (a) on the cover page, the sponsor's name, address, telephone number, and the following legend in bold type or some other prominent fashion: <p style="margin-left: 40px;">This brochure provides clients with information about AF Advisors, Inc., and the AF Advisors, Inc. Wrap Fee Program, that should be considered before becoming a client of the AF Advisors, Inc. Wrap Fee Program. This information has not been approved or verified by any governmental authority.</p> (b) a table of contents reflecting the subject headings in the sponsor's brochure; (c) the amount of the wrap fee charged for each program or, if fees vary according to a schedule established by the sponsor, a table setting forth the fee schedule, whether such fees are negotiable, the portion of the total fee (or the range of such amounts) paid to persons providing advice to clients regarding the purchase or sale of specific securities under the program ("portfolio managers"), and the services provided under each program (including the types of portfolio management services); 	

**Schedule H of
Form ADV
Page 2**

Applicant: Adams Ashby Financial Advisors	SEC File Number: 801 - 70006	Date: 12/2010
-----------------------------------------------------	---------------------------------	-------------------------

- (d) a statement that the program may cost the client more or less than purchasing such services separately and a statement of the factors that bear upon the relative cost of the program (*e.g.*, the cost of the services if provided separately and the trading activity in the client's account);
- (e) if applicable, a statement that the person recommending the program to the client receives compensation as a result of the client's participation in the program, that the amount of this compensation may be more than what the person would receive if the client participated in other programs of the sponsor or paid separately for investment advice, brokerage, and other services, and that the person may therefore have a financial incentive to recommend the wrap fee program over other programs or services;
- (f) a description of the nature of any fees that the client may pay in addition to the wrap fee and the circumstances under which these fees may be paid (including, if applicable, mutual fund expenses and mark-ups, mark-downs or spreads paid to market makers from whom securities were obtained by the wrap fee broker);
- (g) how the program's portfolio managers are selected and reviewed, the basis upon which portfolio managers are recommended or chosen for particular clients, and the circumstances under which the sponsor will replace or recommend the replacement of the portfolio manager;
- (h)
 - (1) if applicable, a statement to the effect that portfolio manager performance information is not reviewed by the sponsor or a third party and/or that performance information is not calculated on a uniform and consistent basis,
 - (2) if performance information is reviewed to determine its accuracy, the name of the party who review the information and a brief description of the nature of the review,
 - (3) a reference to any standards (*i.e.*, industry standards or standards used solely by the sponsor) under which performance information may be calculated;
- (i) a description of the information about the client that is communicated by the sponsor to the client's portfolio manager, and how often or under what circumstances the sponsor provides updated information about the client to the portfolio manager.
- (j) any restrictions on the ability of clients to contact and consult with portfolio managers;
- (k) in narrative text, the information required by Items 7 and 8 of Part II of this form, and as applicable to clients of the wrap fee program, the information required by Items 2, 5, 6, 9A and C, 10, 11, 13 and 14 of Part II;
- (l) if any practice or relationship disclosed in response to Item 7, 8, 9A, 9C and 13 of Part II presents a conflict between the interests of the sponsor and those of its clients, explain the nature of any such conflict of interest; and
- (m) if the sponsor or its divisions or employees covered under the same investment adviser registration as the sponsor act as portfolio managers for a wrap fee program described in the brochure, a brief, general description of the investments and investment strategies utilized by those portfolio managers.

8. **Organization and Cross References.** Except for the cover page requirements in Item 7(a) above, information contained in the brochure need not follow the order of the items listed in Item 7. However, the brochure should not be organized in such a manner that important information called for by the form is obscured.

Set forth below the pages(s) of the brochure on which the various disclosures required by Item 7 are provided.

Page(s)			Page(s)			Page(s)		
Item	7(a)	cover	Item	7(f)	3	Item	7(j)	N/A
	#7(b)	cover		#7(g)	N/A		#7(k)	4-5
	#7(c)	3		#7(h)	N/A		#7(l)	4-5
	#7(d)	2-3		#7(i)	N/A		#7(m)	2
	#7(e)	N/A						

**Adams Ashby Financial Advisors
WRAP FEE PROGRAM ACCOUNTS**

**Adams Ashby Financial Advisors
Wrap Fee Program Brochure**

Sponsored by:
Adams Ashby Financial Advisors
641 Fulton Ave., Suite 200
Sacramento, CA 95825
(916) 333-5989

This brochure provides clients with information about Adams Ashby Financial Advisors (“Adviser”) and the Adams Ashby Financial Advisors’ Wrap Fee Program (the “Program”). You should consider the information in this brochure carefully before becoming a Program client. Please note that this information has not been approved or verified by any governmental authority.

Table of Contents

Program Description	2
Adams Ashby Financial Advisors Plan	2
Adams Ashby Financial Advisors Services.....	2
Brokerage and Custody	2-3
Program Fees	3
About Adams Ashby Financial Advisors and its Affiliations.....	4-5

Program Description

Adams Ashby Financial Advisors' Wrap Fee Programs have been designed to connect Adviser's clients with professional in-house money managers and investment vehicles suitable for their financial circumstances and investment objectives.

Adviser's Plan

Adams Ashby Financial Advisors is an investment advisor which offers investment management services to individuals and high net worth individuals, pension and profit sharing plans, corporations or other businesses. Adviser, depending upon the engagement, offers its services on a fee basis which primarily include percentage of assets based fees. Prior to engaging Adviser to provide any of the foregoing investment advisory services, the client will be required to enter into one or more written agreements with Adviser setting forth the terms and conditions under which Adviser shall render its services (collectively the "Agreement").

Adviser's Services

Adams Ashby Financial Advisors' Wrap Fee Program Accounts. The Adviser's Wrap Fee Program Accounts will be managed by Adviser on a non-discretionary or discretionary basis. Adviser will review the Wrap Assets on a regular and continuous basis and make recommendations as Adviser deems appropriate. Adviser will work with its clients to identify their investment goals and objectives as well as risk tolerance in order to create an initial portfolio allocation designed to complement their clients' educational, home ownership and retirement funding goals and objectives, etc. Adviser may create a portfolio, consisting of individual stocks, bonds or other securities

In cases where the Client's account is managed on a non-discretionary basis, Adviser will not implement any recommendation without the client's prior approval. Adviser will act as the Client's agent to implement such recommendation in accordance with Client's instructions. The client agrees to review trade confirmations received from the client's custodian and notify Adviser immediately of any errors.

Brokerage and Custody of Program Accounts

Adviser will direct transactions for Wrap Fee Accounts to such broker-dealers as they may select, unless the client gives specific directions otherwise. In directing or recommending brokerage, Adviser seeks "best execution" for client accounts, which is a combination of a number of judgmental factors including price, execution quality and client needs. Recognizing the value of these judgmental factors, brokers selected or recommended may charge commissions that are higher than the lowest commissions that might otherwise be available.

As stated earlier, Adviser may execute or recommend that clients execute their securities transactions through various firms. The choice of which firm to execute trades through will be determined on the financial strength of the broker or dealer, its reputation, pricing and ability to execute trades in a timely manner. Securities transactions will be executed through various brokerage firms and their costs are exclusive of and in addition to the Registrant's fee.

Brokerage firms may be paid certain advisory fees, product management fees (on annuities and securities such as mutual funds), administrative fees and/or transaction charges for its role with respect to Adviser's accounts. Clients will not be charged these fees, instead Adviser will be assessed any costs for executing transactions. It is important to note that the aforementioned brokerage firms do not maintain a supervisory relationship with respect to Adviser or its representatives.

In all managed account cases, the custodian sends quarterly statements to Adviser's clients showing all disbursements for the custodian account including the amount of the advisory fees. Clients provide written authorization permitting Adviser to be paid directly for their accounts held by the custodian or trustee.

Program Fees

Adviser's annual fees for investment management services provided under this Agreement shall be based on the market value of the assets under management and shall be calculated at up to 1.50% of all assets under management.

What services are covered by the Program Fees? The Client will not incur transaction charges. The Client may pay custodial fees, charges imposed directly by a mutual fund, index fund, or exchange traded fund which shall be disclosed in the funds prospectus (i.e., fund management fees and other fund expenses), wire transfer fees and other fees and taxes on brokerage accounts and securities transactions.

What services are not covered by the Program Fees? The Program Fees do not cover brokerage charges to the extent that trades are conducted through brokers or dealers other than what Adviser chooses for its client. The Program Fees do not cover custody charges if clients are custodied anywhere other than the custodian in charge of the client's account. Lastly, the Program Fees do not include expenses of mutual funds that may be included in the client's portfolio.

How are fees charged? These annual fees shall be negotiable in certain cases and be pro-rated and paid in advance on a quarterly basis. No increase in the annual fee shall be effective without prior written notification to the Client. Clients are responsible for custodial fees and transaction costs. In the event that the Client terminates Adviser's services before the end of a calendar quarter, Client shall be assessed a pro-rata fee based on the number of days the Client's account was managed by Adviser.

Fees will be automatically deducted from the account. Clients will be provided with a quarterly statement reflecting deduction of the advisory fee as well as an advance invoice from Adviser (sent to the custodian simultaneously) detailing the amount and calculation of the advisory fee.

Unless the Client requests direct billing, fees will be automatically deducted from the account. Clients will be provided with a quarterly statement reflecting deduction of the advisory fee.

Is there a minimum fee and are fees negotiable? There is no minimum fee. These annual fees shall be negotiable in certain cases.

Additional Information about Program Fees. Either party may terminate the agreement at any time by providing written notice to the other party. Full refunds will only be made in cases where cancellation occurs within five (5) business days of signing the Adviser's investment advisory agreement. After five (5) business days, clients will receive pro-rata refunds, which take into account work completed by the Adviser on behalf of the client. The client will incur charges for bona fide advisory services rendered to the point of termination and such fees will be due and payable by the client. Refunds will be given on a pro-rata basis.

Further details about the wrap fees charged by Adviser for the Program accounts may be found in Schedule H of this Form ADV.

No portion of Adviser's compensation shall be based on capital gains or capital appreciation of the Assets except as provided for under the California State statutes and rules.

Adviser will adhere to the California State statutes and rules in the event that orders are aggregated.

About Adviser and its Affiliations

Key Personnel

Jeffrey Adams, President and Chief Compliance Officer, Peter Ashby, Investment Adviser Representative, and Nina Adams, Investment Adviser Representative will manage all Wrap Program Assets as further described in Schedule F of Form ADV. They will conduct periodic reviews of all client accounts.

Education and Business Background

Jeffrey Adams

Business Experience

- 03/2009 - Present, Adams Ashby Financial Advisors, President and Chief Compliance Officer
- 10/2004 - 03/2009, Citicorp Global Markets, Inc., Financial Advisor
- 01/1996 – 10/2004, Morgan Stanley DW Inc., Financial Advisor

Educational Background

- 1985, U.C. Berkeley, BA in Economics

Peter Joshua Ashby

Business Experience

- 04/2009 - Present, Adams Ashby Financial Advisors, Investment Advisory Representative
- 02/2007 - 03/2009, Citicorp Global Markets, Inc., Financial Advisor
- 07/2005 – 01/2007, ADP, District Manager
- 06/2004 – 10/2004, 24 Hour Fitness, Sales Counselor

Educational Background

- 2004, California State University, Chico, BA in History

Nina Engineer Adams

Born 1963

Business Experience

- 03/2010 – Present, Adams Ashby Financial Advisors, Investment Adviser Representative
- 10/2004 – 01/2007, Smith Barney, Inc., Vice President
- 06/1992 – 10/2004, Morgan Stanley, Inc., Vice President

Educational Background

- 1985, University of California, Santa Barbara, BS in BioPsychology

Professional Designations

- 2006 – Retirement Planning Specialist

Exams

- 2010 – Series 65

Education and Business Standards

All individuals that render investment advisory services on behalf of Adviser must have earned a college degree and/or have substantive investment-related experience. In addition, all such individuals shall have attained all required investment-related licenses and/or designations.

Additional Information

Mr. Adams is licensed to sell insurance and annuities, and may engage in commissionable insurance or annuities product sales with the Adviser's clients, for which he may receive compensation.