

**Schedule H of
Form ADV
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| Applicant: Nikulski Financial, Inc. | SEC File Number: 801- | Date: 11/2010 |
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(for sponsors of wrap fee programs)

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| <p>Name of wrap fee program or programs described in attached brochure: STRATEGIC ASSET MANAGEMENT</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.e., 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 Nikulski Financial, Inc., and the Strategic Asset Management Program that should be considered before becoming a client of the Strategic Asset Management 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); |

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- (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) | 2 |
| | #7(b) | cover | | #7(g) | 2 | | #7(k) | 4-6 |
| | #7(c) | 3-4 | | #7(h) | 5 | | #7(l) | 4-6 |
| | #7(d) | 4 | | #7(i) | 2 | | #7(m) | 2 |
| | #7(e) | N/A | | | | | | |

**STRATEGIC ASSET
MANAGEMENT PROGRAM
ACCOUNTS**

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Strategic Asset Management Brochure

Sponsored by:
Nikulski Financial, Inc.
5157 Utica Ridge Road
Davenport, IA 52807
(563) 344-0118

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This brochure provides clients with information about Nikulski Financial, Inc., and the Strategic Asset Management Program that should be considered before becoming a client of the Strategic Asset Management Program. This information has not been approved or verified by any governmental authority.

Program Description

Strategic Asset Management (“Wrap Fee Program”) has been designed to connect Nikulski Financial, Inc.’s clients with professional in-house money managers and investment vehicles suitable for their financial circumstances and investment objectives. Nikulski Financial, Inc. (“Adviser”) is the sponsor of the Wrap Program. Brian Nikulski is currently the sole investment advisory representative of the Adviser and the Wrap Program's sole portfolio manager.

Nikulski Financial, Inc. Plan

Nikulski Financial, Inc. is a registered investment adviser which offers investment advisory services to individuals, high-net worth individuals, pension and profit sharing plans trusts, estates and charitable organizations. 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”).

Nikulski Financial, Inc. Services

Strategic Asset Management Program Accounts. The Adviser’s Wrap Fee Program Accounts will be managed by the Adviser on a non-discretionary or discretionary basis. The Adviser will review the Wrap Assets on a regular and continuous basis and make recommendations as the 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. Non-discretionary and discretionary portfolio management services may include client assets held by a custodian other than the custodian(s) described in Item 12B of the Schedule F of Form ADV.

In cases where the Client’s account is managed on a non-discretionary basis, the Adviser will not implement any recommendation without the client’s prior approval. The 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 the Adviser immediately of any errors.

There will no restrictions on the ability of clients to contact and consult with portfolio managers.

Brian Nikulski 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.

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 the Adviser.

Brokerage and Custody of Program Accounts

In directing or recommending broker-dealers, the 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.

Adviser does not maintain custody of client assets. 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 Strategic Asset Management shall be based on the market value of the assets under management and shall be calculated as follows:

Dynamic Allocation Strategy

A tactical asset management strategy primarily using individual stocks, bonds & ETFs. The Dynamic Allocation Strategy is a tactical asset management strategy primarily using individual stocks, bonds & ETFs. There are three Dynamic Allocation Strategy portfolios: Moderately Conservative, Moderate, and Moderately Aggressive. A Risk Tolerance Questionnaire is completed to determine which portfolio the clients will own. When appropriate Adviser also incorporates various options strategies and uses closed end funds for income. A combination of technical analysis and fundamental analysis will be used in the buy and sell decisions. The objective in this strategy is to protect wealth and grow wealth as opposed to buying and holding investments through times of severe market depreciation.

On an annualized basis, the Adviser's wrap fee program for continuous portfolio management services using the **Dynamic Allocation Strategy** is as follows:

| Assets Under Management | Annual Advisory Fee |
|--------------------------------|----------------------------|
| Up to \$1,000,000 | 1.75% |
| \$1,000,001 to \$2,500,000 | 1.50% |
| \$2,500,001 to \$4,000,000 | 1.25% |
| Over \$4,000,000 | By Negotiation |

The fee schedules above are PER ACCOUNT, NOT Aggregated (actual fees can vary from the schedules).

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 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.

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.

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. For client assets held by a custodian other than the custodian(s) described in Item 12B of the Schedule F of Form ADV, the fee will be billed quarterly via invoice to the client, and shall be paid within ten (10) days of the invoice date.

Is there a minimum fee and are fees negotiable? Fees and negotiable and Adviser does not charge a minimum annual fee.

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.

No portion of Adviser's compensation shall be based on capital gains or capital appreciation of the Assets except as provided for under the Investment Advisers Act of 1940.

Adviser will adhere to the SEC Staff No-Action Letter, *SMC Capital, Inc.* in the event that orders are aggregated.

The wrap program may cost the client more or less than purchasing such services separately and will depend on the trading activity in the client's account.

About Nikulski Financial, Inc. and its Affiliations

Key Personnel

Brian Nikulski, President and Chief Compliance Officer, will manage all Wrap Program Assets as further described in Schedule F of Form ADV. He will conduct periodic reviews of all client accounts.

Education and Business Background

Brian Nikulski

Year of Birth: 1972

Business Experience

2006 – Present, Nikulski Financial, Inc., President, Chief Compliance Officer (since 2009)

2009 – Present, Coder Company, Independent Contractor

2006 – 2009, Cambridge Investment Research, Inc., Independent Contractor

2006 – 2009, Cambridge Investment Research Advisors, Inc., Independent Contractor

2004 – 2006, American Express Financial Advisors Inc., Independent Contractor

2004 – 2006, IDS Life Insurance Company, Independent Contractor

Education, Professional Designations, Licenses and Exams

1995 – Truman State University, BS Business Administration (Finance) & Minor in Economics
1992 – Kishwaukee College, AS Accounting
2000 – CFP®
2003 – Series 10
2002 – Series 9
2001 – Series 24
1998 – Series 65, Accident & Health, Life, Variable Life/Variable Annuity Insurance
1995 – Series 7 & 63

Education and Business Standards

All individuals that render investment advisory services on behalf of Adviser are generally required to have a college degree and/or five (5) years of equivalent industry experience. In addition, all investment advisory representatives must have obtained all required licenses or a professional designation such as the CFP®.

Other Financial Industry Activities or Affiliations

Brian Nikulski is an independent contractor for the Coder Company (a consulting firm). In his individual capacity, Mr. Nikulski assists in finding capital for companies the Coder Company consults with for a fee. Compensation is based upon work done (Approx. \$10,000/yr). Additional forms of compensation may be warrants, rights or shares of the company where consulting work is performed. Mr. Nikulski may invest personal assets into companies where consulting work is performed. Mr. Nikulski may also recommend Advisory clients to invest into programs as well.

Mr. Nikulski is a licensed insurance agent/broker with various insurance companies/agencies. He may receive the normal commissions for securities or insurance sales in his separate role insurance agent/broker. Mr. Nikulski devotes approximately 5 hours/month on this other business.

Review of Accounts

Brian Nikulski, President and Chief Compliance Officer, 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.

Mr. Nikulski performance information is not reviewed by the sponsor or a third party.

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 the Adviser.

Additional Compensation

While Adviser, and its associated persons, endeavor at all times to put the interest of the clients first as part of their fiduciary duty, clients should be aware that receipt of additional compensation in itself creates a potential conflict of interest.

As disclosed under Item 12.B. above, Adviser participates in TD AMERITRADE's institutional customer program and Adviser may require clients to maintain accounts with TD AMERITRADE/recommend TD

AMERITRADE to clients. There is no direct link between Adviser's participation in the program and the investment advice it gives to its Clients, although Adviser receives economic benefits through its participation in the program that are typically not available to TD AMERITRADE retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving Adviser participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have Advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to Adviser by third party vendors.

TD AMERITRADE may also have paid for business consulting and professional services received by Adviser's related persons and may also pay or reimburse expenses (including travel, lodging, meals [and entertainment] expenses) for Adviser's personnel to attend conferences or meetings relating to the program or to TD AMERITRADE's Advisor custody and brokerage services generally. Some of the products and services made available by TD AMERITRADE through the program may benefit Adviser but may not benefit its Client accounts. These products or services may assist Adviser in managing and administering Client accounts, including accounts not maintained at TD AMERITRADE. Other services made available by TD AMERITRADE are intended to help Adviser manage and further develop its business enterprise. The benefits received by Adviser or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD AMERITRADE. As part of its fiduciary duties to clients, Adviser endeavors at all times to put the interests of its clients first. Clients should be advised, however, that the receipt of economic benefits by Adviser or its related persons in and of itself creates a potential conflict of interest and may indirectly influence Adviser's choice of TD AMERITRADE for custody and brokerage services.