

PROFESSIONAL FINANCIAL SOLUTIONS, LLC
ADV PART 2/BROCHURE
MARCH 23, 2011

Item 1 Cover Page

Address: 10517A West Drive
 Fairfax, VA 22030
Phone Number: 703-385-0870
Web address: www.profinancialsolutions.com

This brochure provides information about the qualifications and business practices of Professional Financial Solutions, LLC (PFS). If you have any questions about the contents of this brochure, please contact us at 703-385-0870 or info@profinancialsolutions.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Registration does not imply a certain level of skill or training.

Additional information about Professional Financial Solutions, LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 Material Changes

This Disclosure Brochure is a new Disclosure Brochure. It was prepared by PFS in response to a new rule that was promulgated by the SEC that is applicable to registered investment advisers such as PFS.

PROFESSIONAL FINANCIAL SOLUTIONS, LLC
ADV PART 2/BROCHURE
MARCH 23, 2011

	Page
Item 3	Table of Contents.....2
Item 4	Advisory Business.....3
Item 5	Fees and Compensation.....4
Item 6	Performance-Based Fees and Side-by-Side Management.....5
Item 7	Types of Clients.....6
Item 8	Methods of Analysis, Investment Strategies and Risk of Loss.....6
Item 9	Disciplinary Information.....6
Item 10	Other Financial Industry Activities and Affiliations.....6
Item 11	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....7
Item 12	Brokerage Practices.....7
Item 13	Review of Accounts.....8
Item 14	Client Referrals and Other Compensation.....8
Item 15	Custody.....9
Item 16	Investment Discretion.....9
Item 17	Voting Client Securities.....9
Item 18	Financial Information.....10
Item 19	Requirements for State-Registered Advisers.....10

PROFESSIONAL FINANCIAL SOLUTIONS, LLC
ADV PART 2/BROCHURE
MARCH 23, 2011

Item 4 Advisory Business

Professional Financial Solutions, LLC (PFS) has been in operation since 1997. The firm is independently owned, primarily by Glenn Mickelson. Mike McLenigan also owns a portion of the firm. They offer three services, Financial Planning and Consulting and Investment Management.

FINANCIAL PLANNING

PFS may provide its clients with a broad range of financial planning and/or consulting services (including investment and non-investment-related matters). PFS' services are tailored to the individual goals and needs of clients. PFS provides financial planning services, which usually is focused on retirement, but can include other client goals. Using information provided by clients, PFS will analyze their goals in light of their situation to determine how to help them achieve their goals. The end product is a document that includes a narrative summary, recommendations, and the financial analysis.

CONSULTING

Consulting is offered to those clients that wish to focus on one issue related to their financial situation. An example might be a strategy to pay down credit card debts. Since these are unique engagements it is difficult to describe the analysis but in most cases a document will be prepared to illustrate the client's situation and the recommended course of action to accomplish the client's goal.

INVESTMENT MANAGEMENT

PFS also offers investment management services for their clients. These services are offered on a fee-only basis. See Item 5 for details on investment management fees. These clients are predominately individuals. Advice is provided on both the accounts managed by PFS as well as those outside of PFS, such as the client's current employer 401(k).

PFS generally recommends that our clients hold mutual funds and ETFs in their portfolios.

In most cases, PFS will prepare an Investment Policy Statement for investment management clients. This document outlines the client's target allocation and is based on their risk tolerance and goals. As a result, each allocation is unique to the client.

Clients can impose limits or restrictions on investing in certain securities or types of securities in the portfolio. Such limits, if significant, may cause results to be different than what PFS would expect. If the limitations are significant, PFS may decide to no longer serve as adviser to the client.

Investments managed as of December 31, 2010:

Managed on a discretionary basis:	\$ 35,133,844
Managed on a nondiscretionary basis:	<u>22,057,622</u>
Total investments managed	\$ 57,191,464

PROFESSIONAL FINANCIAL SOLUTIONS, LLC
ADV PART 2/BROCHURE
MARCH 23, 2011

Client Obligations

In performing its services, PFS 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. If requested by the client, PFS may recommend the services of other professionals for implementation purposes. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from PFS. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify PFS if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising PFS' previous recommendations and/or services.

Agreements

Prior to engaging PFS to provide financial planning, consulting services, and/or investment management services, the client will be required to enter into a formal agreement with PFS setting forth the terms and conditions of the engagement as well as describing the scope of the services to be provided. For investment management services, the client will also complete a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Assignment

Neither PFS nor the client may assign the Investment Advisory Agreement without the prior consent of the other party. Transactions that do not result in a change of actual control or management of PFS shall not be considered an assignment.

Item 5 Fees and compensation

PFS's financial planning fees are negotiable, but generally range from \$2,500 to \$5,000 on a fixed fee basis depending upon the level and scope of the services required, as well as the client's financial situation.

Payment of the fee for planning services is made as follows:

Payment 1:	\$ 500	at agreement signing
Payment 2:	60% of total fee	when draft plan is presented
Payment 3:	Balance of fee	when the plan is completed

The initial payment (not to exceed \$500) is due from the client prior to PFS commencing services. In the event the client terminates PFS's financial planning and/or consultation services prior to the commencement of services, the balance of PFS's fee, if any, shall be refunded to the client. The client can contact PFS by email, letter, or phone to notify us of the termination. PFS will refund the initial deposit as soon as possible. Once work has commenced, any fee paid is deemed earned if the agreement is terminated. Fees for planning services are paid directly to PFS, not deducted from investment accounts.

Plans are updated periodically, as the client's situation changes, for investment management clients at no additional cost. If a non investment management client requests a plan update, the fee is negotiated.

PROFESSIONAL FINANCIAL SOLUTIONS, LLC
ADV PART 2/BROCHURE
MARCH 23, 2011

Consulting engagements are charged \$200 to \$500 on an hourly basis, depending upon the level and scope of the services required, as well as the client's financial situation. An estimate of the total cost is provided prior to the commencement of work and is negotiable. The fee is due upon completion of the project. Since these clients do not have investments under management with PFS, the fee is paid directly to PFS.

Investment management fee schedule (payable in arrears)

Consolidated accounts managed, on the first \$1million	1.00%
Consolidated accounts managed, amounts over \$1million	0.50%
Consolidated accounts managed, amounts over \$5million	0.25%

Pre-existing client's fees may differ from the fee schedule above. These fees are not negotiable. At this time, no fee is charged against employer retirement plans, for example 401(k) accounts. This may change in the future as services develop to provide the detailed information PFS requires to prepare performance reports for clients and perform other management activities. There is also no fee for money market investments held in a taxable account.

PFS shall charge the investment management fee based upon a percentage of the market value of the assets being managed by PFS. PFS's annual investment management fee shall be prorated and paid quarterly, in arrears, based upon the market value of the assets on the last day of the previous quarter. PFS, in its sole discretion, may charge a lesser management fee based upon certain criteria (e.g., existing financial planning client, anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

Our fee is paid quarterly at $\frac{1}{4}$ of the annual rate. The fee shall be deducted from an account that PFS is managing. In order to streamline fee collection and performance reporting, payment of asset management advisory fees directly to the PFS is not allowed.

In addition to the fees paid to PFS, the client will also pay fees to various service providers. Broker/ Dealer (B/D) that custody the client's assets will charge a transaction fee for the investments used. The current charge is \$24 per trade if the client opts for electronic statements or \$31 per trade if the client opts for paper statements. In addition to B/D fees, mutual funds used in client accounts also levy a management fee that the client account will incur. These vary by fund. Clients are encouraged to review the fund prospectus for specific fund expenses.

As noted earlier, PFS primarily recommends mutual funds for client accounts. The funds recommended are no load or the load is waived. In the rare case where we use load-waived funds, the client may have to pay 12(b)1 fees as part of the fund expenses they pay. See Item 12 for information on brokerage.

Item 6 Performance-Based Fees and Side-by-Side Management

This item is not applicable to PFS.

PROFESSIONAL FINANCIAL SOLUTIONS, LLC
ADV PART 2/BROCHURE
MARCH 23, 2011

Item 7 Types of Clients

PFS predominately works with individuals, helping them with their personal financial concerns. Some of these clients have living trusts or irrevocable trusts which we also manage and provide advisory services. In addition, PFS helps small business owners establish retirement plans, usually SEPs and Individual 401(k)s. Finally, we work with charitable organizations (or non profits) that our clients gift shares of their fund investments. These gifts are typically liquidated upon receipt by the charity and the funds disbursed, resulting in no ongoing investment management or advisory services for the charitable organization/nonprofit.

For those potential clients seeking only investment management services, the minimum portfolio is \$500,000. PFS may, in its sole discretion, reduce and/or waive its account minimum.

Item 8 Methods of Analysis, Investment Strategies and Risk of Loss

When analyzing individual securities, PFS primarily uses fundamental analysis. We'll look at the performance of the company and projections of future earnings. We may also look at past stock price activity (technical analysis). Our more typical approach; however, is using passively managed mutual funds.

It's our goal to reduce risks where we can. We can eliminate active manager risk (the risk that they enter into a transaction at the wrong time/price) by using passive management. We can significantly reduce the risk of an individual company going bankrupt and its stock going to \$0.00 by using mutual funds that may hold thousands of stocks. Fund expenses for passively managed funds are typically lower than active funds. What we're left with is systemic or market risk.

Regardless of the investment vehicle used, or the trading strategy implemented, the risk of loss remains. Each investor needs to decide if they are willing to accept this risk prior to making the decision to invest. It is our job as the client's adviser to help them understand these risks and weather the inevitable ups and downs that the markets bring.

PFS utilizes a buy and hold investment strategy. As a result, a client accepts the risk that their portfolios will lose value during market corrections. PFS attempts to diversify client's portfolios over many equity asset classes. This will expose the client's portfolio to; market risk, credit risk, interest rate risk, inflation risk, liquidity risk, management risk (both at the adviser level and the investment level), risk of gain/loss due to human error, etc.

Item 9 Disciplinary Information

PFS and its registered investment advisor representatives do not have any disciplinary information to report.

Item 10 Other Financial Industry Activities and Affiliations

Glenn Mickelson and Mike McLenigan do not have any other industry activities or affiliations.

PROFESSIONAL FINANCIAL SOLUTIONS, LLC
ADV PART 2/BROCHURE
MARCH 23, 2011

Item 11 Code of Ethics, Participation or interest in Client Transactions and Personal Trading

Typically, registered investment advisor representatives limit their holdings to open ended mutual funds. In the rare case where one does hold an individual security, PFS has established the following restrictions:

1. A director, officer, or employee of PFS shall not buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry.
2. PFS maintains a list of all non mutual fund security holdings for itself and access persons associated with this advisory practice. These holdings are reviewed on a regular basis by senior management.
3. PFS requires that all firm access persons act in accordance with all applicable federal and state regulations governing registered investment advisory practices.
4. Any individual not in observance of the above may be subject to termination.

PFS has implemented an investment policy relative to personal securities transactions. This investment policy is part of PFS' overall Code of Ethics which serves to establish a standard of business conduct for all of PFS' access persons that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, PFS also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by PFS or any person associated with PFS.

Members of PFS avoid holding individual securities. They invest in many of the same mutual funds recommended to clients. Since funds trade based on the daily closing price (rather than intraday pricing), we do not believe that PFS advisers have an interest in client transactions or run the risk of trading ahead of clients.

Item 12 Brokerage Practices

PFS does not accept soft dollars from B/Ds. Again, since PFS uses primarily mutual funds, research or other perceived benefits from certain trading relationships have no value to PFS.

Unless the client directs otherwise, PFS shall generally recommend that all investment management accounts be maintained with an independent custodian and that all brokerage transactions are executed through an independent SEC-registered broker/dealer that is a member of FINRA (currently TD Ameritrade "TDA"). PFS considers many factors in recommending TDA to clients, including financial strength, reputation, execution, pricing, and service.

While PFS does not receive soft dollars or other direct compensation from TDA or other companies used to custody client accounts, PFS does receive benefits from working with a B/D. These benefits are similar to those available with other B/Ds. They include free educational events, entertainment events, meals, and discounts on products used by PFS, such as certain software. These benefits may be perceived to be a conflict of interest, however, we feel that we have addressed this conflict of interest because (a) we did not consider the receipt of these

PROFESSIONAL FINANCIAL SOLUTIONS, LLC
ADV PART 2/BROCHURE
MARCH 23, 2011

benefits when deciding to recommend TDA as a custodian for client accounts, (b) these benefits are available to every investment manager that custodies assets with TDA regardless of volume of execution transacted through TDA, and (c) these benefits are similar to those that we would receive from other B/Ds.

To the extent that PFS determines to aggregate client orders for the purchase or sale of securities, including securities in which PFS' principals (and/or associated persons) may invest, PFS shall generally do so in accordance with the parameters set forth in SEC No-Action Letter, SMC Capital, Incorporated. PFS shall not receive any additional compensation or remuneration as a result of the aggregation. Due to the very limited number of individual security trades placed by PFS, PFS has never aggregated trades since its inception. If a trade needed to be completed in more than one client account, PFS would aggregate the trades.

PFS does not recommend the purchase or sale of IPO shares or hedge funds for client accounts.

PFS relies upon the values of securities as set forth by the issuer or as reported by the custodian for the client's account.

Item 13 Review of Accounts

Activity in managed accounts is reviewed daily by the advisers. Accounts are reviewed in more detail prior to placing a trade or when reviewing cash positions. For clients with limited activity in their accounts, a review would occur as part of the annual review meeting process. Clients are encouraged to meet with PFS at least annually to review their accounts and financial situation. These reviews are conducted by the President and the Vice President of PFS. For those financial planning clients that are also investment management clients, the review will include a review of the plan investment account targets to determine whether the client is above or below the plan target. PFS will discuss recommended actions, if any, as a result of this comparison.

In most cases, financial plans are stale after about five years. PFS will discuss with the ongoing client, the need to update a plan during most meetings, and will encourage a plan update when appropriate.

Investment Management clients will receive written performance reports from PFS quarterly. These reports will provide a summary of their accounts under management, including historical activity figures as well as client specific returns earned.

For those clients that engaged PFS for financial planning or consulting services only, no review will be completed nor will any analysis be updated unless the client re-engaged PFS for the additional work.

Item 14 Client Referrals and Other Compensation

PFS has and will continue to develop understandings with vendors, associations, insurance agents, lawyers and other professionals that involve referrals or cross-referrals. PFS typically provides a thank you gift to existing clients for referring others to the PFS. The value of these gifts is less than \$100. At no time is any person or company obligated to provide referrals to PFS. No client referred to any party by PFS is obligated to utilize the services of any such

PROFESSIONAL FINANCIAL SOLUTIONS, LLC
ADV PART 2/BROCHURE
MARCH 23, 2011

professional. PFS will not enter into an agreement requiring it to refer clients to others. This referral thank you gift program may be ended at any time.

As noted previously, PFS accepts training, information, promotional material, gifts and discounts of limited value and on occasion meals or prize drawings from vendors, mutual funds and others with whom PFS may do business or to whom PFS may make referrals. Often such benefits are received from event sponsors during PFS's participation in NAPFA, FPA, TD Ameritrade, and other conferences, workshops, and seminars designed primarily to provide continuing education credits. PFS has also participated in Dimensional Fund Advisors (DFA) sponsored training during which DFA provided reference material and meals and PFS anticipates recommending some of their funds as part of client portfolios. The benefits noted in this paragraph may present a conflict of interest.

We address this conflict by ensuring that such activities do not adversely affect our relationship with our client in any material way. First, PFS does not receive any direct or indirect compensation in connection with PFS' use of such brokers or investment vehicles. Next, PFS remains free to select any broker and/or investment vehicles that it believes are best for the client and will only recommend an investment vehicle for a client account where PFS believes that such recommendation is consistent with the client's investment objectives and/or financial situation. Further, PFS is under no obligation to recommend any particular investment vehicle or broker-dealer for client accounts. Lastly, PFS will continue to review these investment vehicles and broker-dealers to determine if better alternatives exist.

Item 15 Custody

PFS does not take custody of client investments.

Item 16 Investment Discretion

Typically, PFS does not take discretion on client accounts at the time of establishing the client/adviser relationship. After the client has worked with PFS for a year, PFS will request discretionary authority but it is not required.

PFS' officers may manage client's accounts on a discretionary basis. This will be indicated on the investment advisory agreement, letter, or other client/adviser communication. For those clients that grant discretionary authority, PFS will place trades on behalf of the client without specific approval, in accordance with the Investment Policy Statement. When they do so, they will limit their discretionary authority by limiting transactions to general securities, mutual funds, government securities, and an occasional option.

Item 17 Voting Client Securities

PFS does not vote client proxies. Therefore, although PFS may provide investment advisory services relative to client investment assets, PFS's 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, lawsuits, bankruptcy proceedings or other type events pertaining to the client's investment assets. PFS and/or the client shall correspondingly instruct each custodian of the assets to forward to the client copies of all proxies and shareholder communications relating to the client's

PROFESSIONAL FINANCIAL SOLUTIONS, LLC
ADV PART 2/BROCHURE
MARCH 23, 2011

investment assets. PFS does not vote proxies on behalf of clients. Clients retain this right and responsibility. Should clients want to discuss questions regarding their proxy votes, they may call or email PFS.

Item 18 Financial Information

PFS has discretionary authority over certain client's accounts. As a result, PFS must disclose any financial condition that is reasonably likely to impair PFS' ability to meet its contractual commitments to clients. Financial conditions such as bankruptcy of the President or if income made by PFS was so low that basic fixed expenses could not be covered, these might impair PFS' ability to serve their clients. PFS believes the risk of these actually occurring is remote, at best.

Item 19 Requirements for State-Registered Advisers

PFS is not state-registered so this item is not applicable.