

## **The Financial Junction**

**7320 US 31 South  
Indianapolis, IN 46227  
(317) 215-2473  
Fax: (317) 215-2480**

**[www.thefinancialjunction.com](http://www.thefinancialjunction.com)**

**3/17/2011**

### **FORM ADV PART 2A BROCHURE**

This brochure provides information about the qualifications and business practices of The Financial Junction. If you have any questions about the contents of this brochure, please contact us at (317) 215-2473. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about The Financial Junction is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for The Financial Junction is 114970.

The Financial Junction is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

## Summary of Material Changes

Form ADV Part 2A, Item 2

This Brochure is a new document prepared according to the SEC's new requirements and rules. As such, this Document is materially different in structure and requires certain new information that our previous brochure did not require.

In the future, this Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our brochure.

In the past, we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

## Table of Contents

<b><i>Advisory Business.....</i></b>	<b><i>1</i></b>
<b><i>Financial Planning and Consulting Services .....</i></b>	<b><i>9</i></b>
<b><i>Fees and Compensation .....</i></b>	<b><i>11</i></b>
<b><i>Performance-Based Fees and Side-By-Side Management.....</i></b>	<b><i>12</i></b>
<b><i>Types of Clients.....</i></b>	<b><i>12</i></b>
<b><i>Methods of Analysis, Investment Strategies and Risk of Loss .....</i></b>	<b><i>13</i></b>
<b><i>Disciplinary Information.....</i></b>	<b><i>14</i></b>
<b><i>Other Financial Industry Activities and Affiliations .....</i></b>	<b><i>15</i></b>
<b><i>Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....</i></b>	<b><i>15</i></b>
<b><i>Brokerage Practices .....</i></b>	<b><i>16</i></b>
<b><i>Review of Accounts .....</i></b>	<b><i>17</i></b>
<b><i>Client Referrals and Other Compensation.....</i></b>	<b><i>18</i></b>
<b><i>Custody .....</i></b>	<b><i>18</i></b>
<b><i>Investment Discretion.....</i></b>	<b><i>19</i></b>
<b><i>Voting Client Securities.....</i></b>	<b><i>19</i></b>
<b><i>Financial Information.....</i></b>	<b><i>19</i></b>
<b><i>Additional Information.....</i></b>	<b><i>20</i></b>

## Advisory Business

Form ADV Part 2A, Item 4

Cade Group, Inc. dba The Financial Junction is a registered investment adviser based in Indianapolis, IN. We are organized as a corporation under the laws of the State of Indiana. We have been providing investment advisory services since 1997. Mark A. Cade, President, is our principal owner. Currently, we offer the following investment advisory services, which are personalized to each individual client:

- **Investment Management Services**
- **Financial Planning and Consulting Services**
- **Individual Directed Retirement Account Services**
- **Pension Consulting**

As used in this brochure, the words “we”, “our” and “us” refer to The Financial Junction and the words “you”, “your” and “client” refer to you as either a client or prospective client of our firm. Also, you may see the term Associated Person throughout this brochure. As used in this brochure, our Associated Persons are our firm’s officers, employees, and all individuals providing investment advice on behalf of our firm.

The following paragraphs describe our services and fees. Please refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs.

### **Investment Management Services**

#### **Investment Management Program for Advisory Clients (IMPAC)**

Account minimum: \$25,000

IMPAC is a fee based account, offered and administered through RJFS, in which the client is provided with ongoing investment advice and monitoring of securities holdings. We will manage the account on a non-discretionary basis (or discretionary, provided certain qualifications are met), according to your objectives. Mutual Funds incur expenses for portfolio management services and fund administrative services. These expenses are disclosed in the mutual fund prospectus.

#### **FEE SCHEDULE FOR IMPAC**

Account Value	Total Fee
First \$200,000	1.75%
Next \$300,000	1.50%
Next \$4,500,000	1.00%
Over \$5,000,000	1.00%

#### **THREE TIER ASSET CLASS FEE SCHEDULE**

Investments Excluding Open-Ended Mutual Funds, Cash and Bonds:

First \$200,000	2.00%
Next \$300,000	1.50%
Next \$500,000	1.00%
Over \$1,000,000	1.00%

Investment Open-Ended Mutual Funds and Cash:

First \$100,000	1.75%
Next \$100,000	1.50%
Next \$300,000	1.25%
Next \$500,000	0.75%
Over \$1,000,000	0.75%

Investment Bonds:	
First \$100,000	1.50%
Next \$100,000	1.25%
Next \$300,000	1.00%
Next \$500,000	0.75%
Over \$1,000,000	0.75%
Over \$1,000,000	Negotiable

The annual asset-based fee is paid quarterly in advance or arrears, as outlined in the Investment Advisory Agreement. For accounts billed in advance, the asset-based fee is billed when the account is opened for the remainder of the current billing period prorated the following and quarter and is based on the initial contribution. Thereafter, the quarterly asset-based fee is paid in advance, is based on the account asset value on the last business day of the previous calendar quarter, and becomes due the following business day. For accounts billed in arrears, the asset-based fee is calculated on the account asset value on the last business day of the quarter for the previous quarter. You will authorize and direct RJFS as custodian to deduct asset-based fees from your account; You further authorize and direct the custodian to send a quarterly statement to you, which shows all amounts disbursed from client's account, including fees paid to us. You understand that the brokerage statement will show the amount of the asset-based fee, the value of the assets on which the fee was based, and the specific manner in which the fee was calculated.

Additionally, there is a nominal Processing Fee for the execution of each trade, as follows:

<b><u>SECURITY TYPE</u></b>	<b><u>PROCESSING FEE</u></b>
Exchange Traded Equities: Listed and OTC	\$30
Closed End Mutual Funds	\$30
Exchange Traded Funds	\$30
Mutual Funds	\$30
Real Estate Investment Trusts/Unit Investment Trusts	\$30
Preferred Stocks	\$50
Option Contracts	\$50
Bonds	\$50

In addition to the foregoing fee, you will incur a minimal charge per transaction for handling and postage charges. You may also incur charges for other account services provided by RJA not directly related to the execution and clearing of transactions including, but not limited to, IRA custodial fees, safekeeping fees, interest charges on margin loans, and fees for legal or courtesy transfers of securities.

The Investment Management Agreement may be terminated by either you or us at any time upon providing written notice pursuant to the provisions of the Investment Management Agreement. There is no penalty for terminating your account. Upon termination, you will receive a refund of the portion of the prepaid asset-based fee which is not utilized for accounts billed in advance. For accounts billed in arrears, you may be charged a fee pursuant to the number of days the account was managed for the current quarter. We will not accept instructions to terminate the Agreement unless such instructions are provided in writing by you.

#### **PASSPORT Account**

Account minimum: \$25,000

The PASSPORT Account ("PASSPORT") is an investment advisory account, administered by RJA, which offers clients, on a non-discretionary basis (or discretionary, provided certain qualifications are met), the ability to pay an advisory fee on the assets in their account and a nominal transaction charge in lieu of a commission for each transaction. The services are offered nationwide in all fifty states, the District of Columbia and Puerto Rico.

Generally, your Investment Advisor Representative provides investment advice on a non-discretionary basis. There is a stated minimum investment for PASSPORT Accounts, however smaller accounts may be accepted

based upon the specific circumstances of an account. The advisory fees for PASSPORT Accounts are as follows:

#### **BLENDED RATE FEE SCHEDULE**

Account Value	Total Fee
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##### **PASSPORT Fee investments:**

Account Value	Total Fee
First \$ 200,000	1.75%
Next \$ 300,000	1.50%
Next \$ 500,000	1.00%
Over \$1,000,000	1.00%
Over \$5,000,000	Negotiable

#### **THREE TIER ASSET CLASS FEE SCHEDULE**

##### **PASSPORT Fee Investments Excluding Open-Ended Mutual Funds, Cash and Bonds:**

Account Value	Total Fee
First \$200,000	2.00%
Next \$300,000	1.50%
Next \$500,000	1.00%
Over \$1,000,000	1.00%

##### **PASSPORT Fee Investment Open-End Mutual Funds and Cash:**

First \$100,000	1.75%
Next \$100,000	1.50%
Next \$300,000	1.25%
Next \$500,000	0.75%
Over \$1,000,000	0.75%

##### **PASSPORT Fee Investment Bonds:**

First \$100,000	1.50%
Next \$100,000	1.25%
Next \$300,000	1.00%
Next \$500,000	0.75%
Over \$1,000,000	0.75%
Over \$5,000,000	Negotiable

The annual asset-based fee is paid quarterly in advance. When an account is opened, the asset-based fee is billed for the remainder of the current billing period and is based on the initial contribution. Thereafter, the quarterly asset-based fee is paid in advance, is based on the account asset value on the last business day of the previous calendar quarter, and becomes due the following business day. You authorize and direct RJA as custodian to deduct asset-based fees from your account; you further authorize and direct the custodian to send a quarterly statement to the client which shows all amounts disbursed from your account, including fees paid to us. You understand that the brokerage statement will show the amount of the asset-based fee, the value of the asset on which the fee was based, and the specific manner in which the fee was calculated.

Additionally, there is a nominal Processing Fee for the execution of each trade, as follows:

#### **SECURITY TYPE**

#### **PROCESSING FEE**

Exchange Traded Equities: Listed and OTC	\$30
Closed End Mutual Funds	\$30
Exchange Traded Funds	\$30
Mutual Funds	\$30
Real Estate Investment Trusts/Unit Investment Trusts	\$30
Preferred Stocks	\$50

Option Contracts	\$50
Bonds	\$50

In addition to the foregoing transaction charge, you will incur a minimal charge per transaction for handling and postage charges. You may also incur charges for other account services provided by RJA not directly related to the execution and clearing of transactions including, but limited to, IRA custodial fees, safekeeping fees, interest charges on margin loan, and fees for legal or courtesy transfers of securities.

The Client Agreement may be terminated by either you or by us at any time upon providing notice pursuant to the provisions of Client Agreement. In the event of termination of this Agreement, we will refund to the client the prorated portion of the fee for the quarter of termination.

### **FREEDOM ACCOUNT**

Account Minimum: \$100,000 for FREEDOM Retirement Income Solution Strategies, and \$50,000 for all other Strategies

The FREEDOM Account ("FREEDOM") is an investment advisory account which allocates Client assets, through discretionary mutual fund or exchange traded fund ("ETF") management, based upon their financial objectives and risk tolerances. You appoint Raymond James Financial Services ('RJFS') as your investment adviser in selecting a compatible investment strategy developed by the AMS Investment Committee, and in recommending, selecting and monitoring affiliated and unaffiliated open-end mutual funds with which RJFS has entered into a selling agreement with the fund company, or exchange-traded funds, as the client may select. These services are offered nationwide in all fifty states, the District of Columbia, and Puerto Rico.

You will complete a Client Profile setting forth your investment objectives, financial situation, time horizon, risk tolerance, investment restrictions, and any additional instructions. We rely on the financial and other information provided by you, and you agree to inform us of any material change in the information provided in the Profile or your financial circumstances which might affect the manner in which your assets are invested. Our recommendation of a Strategy to you will be based on our determination that the Strategy chosen by you is consistent with your investment objectives as stated in the Profile. We provide assistance in evaluating available Strategies to determine suitability, but ultimately you will choose the most appropriate Strategy to meet your needs.

Leveraging off the research performed by AMS Manager Research & Due Diligence, the AMS Investment Committee constructs multiple investment Strategies comprised of a combination of Funds or, if selected by the client, ETFs representing a broad array of asset classes and investment styles. The AMS Investment Committee identifies asset classes and investment styles that perform differently under varying market conditions, yet are complementary to one another. The composition of a given Strategy may include domestic and international equity and fixed income Funds/ETFs, as well as real estate investment trusts and commodity Funds/ETFs to enhance diversification. Strategies available in the FREEDOM Program include: Aggressive Equity, Growth Equity, Balanced with Growth, Balanced, Conservative Balanced, High Income, Conservative and Early, Mid and Senior Retirement Income Solution strategies. In addition, tax free Municipal Fund portfolios are available in the Conservative Balanced, Balanced and Balanced with Growth Strategies. Target allocations for the above Strategies are available upon request through your financial advisor.

The target allocation of the above Strategies applies at the time you establish a FREEDOM account. Additions to and withdrawals from an account will generally be invested based on the target allocation. Fluctuations in the market value of securities, as well as other factors, however, will affect the actual asset allocation at any given time. RJFS will annually rebalance your account, based on the anniversary date of its establishment, if at such time the actual asset allocation varies by more than certain predetermined percentages from the target allocation, as established by the AMS Investment Committee. Raymond James may rebalance an account upon your request. The AMS Investment Committee reserves the right to modify the target allocation based on changes to its capital markets outlook.

Clients most appropriate for the mutual fund version of FREEDOM are those willing to pay more for the potential to outperform the market or benchmark indices over the long term, but should also be aware the

potential to underperform is just as great. Clients most appropriate for the ETF version of FREEDOM are those willing to achieve market-like returns, less management fees and operating expenses, with little potential for the individual ETFs outperforming the respective indices they track.

There is a stated minimum investment for both FREEDOM Retirement Income Solution Strategies Accounts as well as all other Strategies Accounts; however, smaller accounts may be accepted based on the specific circumstances of an account.

Upon your selection of a Strategy Account, you authorize RJFS to assume all investment duties with respect to assets held in the client's FREEDOM account and shall have sole investment authority with respect to such assets. RJFS will thereafter invest and reinvest the assets of each account, based upon the Strategy you select, in such Funds, ETFs, or other property of any kind as it deems in your best interest in order to achieve the investment objective(s) you have identified, without regard to holding period, portfolio turnover or resulting gain or loss. While Strategies are generally comprised of either Funds or ETFs, you should understand that Raymond James may decide to invest a certain portion of your account in alternative securities to maintain trading flexibility and/or market exposure, or to enhance diversification. For example, the AMS Investment Committee may determine that a Fund should be replaced, but may not have an immediate replacement Fund candidate. In such an event, the AMS Investment Committee may redeem the current Fund in its entirety and invest the proceeds in an ETF(s) until a suitable replacement fund(s) is selected, or may elect to invest in an ETF or an alternative investment if it believes doing so would potentially enhance the diversification within a given Strategy. The AMS Investment Committee may elect to invest in securities other than Funds or ETFs as it deems is in your best interest in order to achieve the investment objective(s) you have identified, without regard to holding period, portfolio turnover or resulting gain or loss. In the event AMS changes its opinion of an investment such that it is no longer able to recommend that security within a given Strategy, RJFS reserves the right to remove and replace the Fund, ETF or alternative security with another investment without your prior consent.

Eagle Asset Management, Inc. is registered as an investment company with the Securities and Exchange Commission and is wholly-owned subsidiary of RJFS. The participation of affiliated Funds may create an incentive for Raymond James to recommend an affiliated Fund over a similarly qualified and suitable non-affiliated Fund. Each Strategy available in the FREEDOM Program has been constructed by the AMS Investment Committee to offer an alternative that does not contain an affiliated Fund, at each minimum asset level. Tax-qualified retirement accounts will be automatically invested in the selected Strategy that does not invest in affiliated Funds, as federal regulations prohibit affiliated Funds from being purchased in tax-qualified retirement advisory accounts.

Municipal strategies are not available for investment by tax-qualified retirement accounts. Municipal strategy selections made on behalf of tax-qualified retirement accounts will be automatically invested in the non-Municipal Fund Strategy. For example, IRA and/or ERISA accounts that select the Balanced Municipal Strategy will be automatically invested in the Balanced Strategy.

Dividend Reinvest is not available for ETF strategies. If no selection is made, all dividends will be paid in cash for the High Income and Retirement Income Solution strategies. All other strategies will reinvest dividends if no alternative selection is made.

The advisory fees for FREEDOM Program are as follows:

All Strategies except Conservative & High Income:

<u>Account Value</u>	<u>Advisory Fee</u>
First \$200,000	1.75%
Next \$300,000	1.50%
Over \$500,000	1.00%
Accounts greater than \$500,000 are negotiable	



#### Conservative & High Income Strategies:

<u>Account Value</u>	<u>Advisory Fee</u>
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First \$200,000	1.25%
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Next \$300,000	1.00%
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Over \$500,000	0.75%
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Accounts greater than \$5,000,000 are negotiable

You may also incur charges for other account services provided by RJFS not directly related to the execution and clearing of transactions including, but not limited to, IRA custodial fees, safekeeping fees, and fees for legal or courtesy transfers of securities.

#### **FREEDOM UMA and FREEDOM Strategies**

The AMS Investment Committee's decisions will be based on recommendations provided by AMS Manager Research & Due Diligence, and the mutual fund strategies may include "Highly Recommended" funds from the Raymond James Mutual Fund Research ("MFR") coverage list. However, the AMS Investment Committee is under no obligation to select funds exclusively from MFR's "Highly Recommended" list. For funds selected by the AMS Investment Committee that are not covered by MFR, it is likely MFR will at some point in the future assume research coverage of the fund(s), and that such funds may be rated "Highly Recommended". AMS Manager Research & Due Diligence continually monitors the funds in the FREEDOM UMA and FREEDOM Programs. If a fund is downgraded by MFR, the AMS Investment Committee will convene and determine the appropriate course of action, which may include replacing the downgraded fund in all Strategies, if necessary.

You should be aware that ETFs and mutual funds have unique distinguishing characteristics and their cost structures differ, sometimes significantly. Because mutual funds are typically actively managed, the underlying management fees and operating expenses assessed by the fund companies are generally higher than those for ETFs, which typically seek to track the performance of an index (typically 1% to 1.5% for mutual funds versus .20% to .40% for ETFs). However, the AMS Investment Committee considers the expense ratio when selecting funds and, where available, will select fund classes with the lowest expense ratio (i.e. institutional or advisor class). Expense ratios for funds or ETFs selected are on average less than 1.00% for funds and less than 0.30% for ETFs, net of 12(b)-1 fees, if any, which if received by Raymond James are credited quarterly to the client's account(s).

Unlike shares of mutual funds, shares of ETFs are bought and sold based on market values throughout each trading day, and not at net asset value. For this reason, shares could trade at either a premium or discount to net asset value. The portfolio of securities held by an ETF that tracks an index are publicly disclosed on each trading day, and an approximation of the actual net asset value is disseminated throughout the trading day. Because of this transparency, the trading prices of these index-based ETFs tend to closely track the actual net asset value of the underlying portfolios. Actively managed ETFs will likely not have the transparency of index-based ETFs, and therefore, may be more likely to trade at a discount or premium to actual net asset values. If an ETF held by the fund trades at a discount to net asset value, the fund could lose money even if the securities in which the ETF invests go up in value.

The AMS Investment Committee may find occasion to invest in a mutual fund with relatively low assets under management. Depending on the total investment in such fund, FREEDOM Program accounts may collectively become a significant majority shareholder of the fund. This could result in potential illiquidity in the event the AMS Investment Committee determines a program-wide redemption or liquidation is warranted. The AMS Investment Committee will endeavor to minimize the market impact of any investment related decisions that it makes.

#### **ADDITIONAL DISCLOSURES ABOUT PROGRAMS:**

##### Investment of Cash Reserves

With respect to cash reserves of advisory Client accounts, the custodian of the account assets will determine where cash reserves are held. The custodian may offer one or multiple options to different account types (such as non-taxable and managed accounts). In addition, the custodian may, among other things, consider terms and conditions, risks and features, conflicts of interest, current interest rates, the manner by which future interest rates will be determined, and the nature and extent of insurance coverage (such as deposit protection

from the Federal Deposit Insurance Corporation and the Securities Investor Protection Corporation). The custodian may change an investment option at any time by providing the Client with thirty (30) days advance written notice of such change, modification or amendment.

As of July 2010, Cash Sweep Options include the Raymond James Bank Deposit Program ("RJBDP"), the Credit Interest Program ("CIP") sponsored by RJA, and a proprietary class of money market funds (the "Eagle Class - JP Morgan Money Market Funds") of the JP Morgan Prime Money Market Fund and JP Morgan Tax Free Money Market Fund, managed by J.P. Morgan Investment Management, Inc. offer by Eagle Asset Management, Inc. (Eagle", an affiliate of Raymond James).

Raymond James Bank (also an affiliate of Registrant), and the interest rate if offers may differ from the yield on the Eagle Class - J.P. Morgan Money Market Funds and the CIP, but Raymond James Bank generally earns more than the interest it pays on such balances. The Eagle Class - JP Morgan Money Market Funds are offered by Eagle through an agreement with J.P. Morgan. Under the agreement, Eagle, Eagle Fund Services, Inc. and Eagle Fund Distributors, Inc., (together, the "Eagle Affiliates") and Raymond James and its affiliate Raymond James Financial Services, Inc. are compensated by the Eagle Class - JP Morgan Money Market Funds and J.P. Morgan for, among other things, distribution costs, shareholder record-keeping activities, and the coordination and administration of the funds. Raymond James & Associates generally earns a higher rate of interest on CIP balances than the interest rate it pays on such balances. The income earned by the Eagle Affiliates and RJA is in addition to the asset-based fees that RJFSA receives from these accounts.

Where an unaffiliated third party acts as custodian of account assets, Client and/or the custodian will determine where cash reserves are held.

Cash balances arising from the sale of securities, redemptions of debt securities, dividend and interest payments and funds received from customers are invested automatically on a daily basis. When securities are sold, funds are deposited on the day after settlement date. Funds placed in your account by personal check usually will not be invested until the second business day following the day that the deposit is credited to your account. Due to the foregoing practices, RJA may obtain federal funds prior to the date that deposits are credited to your account and thus may realize some benefit because of the delay in investing such funds.

For further information please refer to the Cash Sweep Options disclosure statement, a copy of which is available from your Investment Advisor Representative, or is available on the Raymond James public website, [www.raymondjames.com](http://www.raymondjames.com).

#### Cash Rule Conflict

Participants in the IMPAC and PASSPORT programs with cash or money market investments which exceed 20% of the total market value of your account at the time of billing will be included for fee purposes only if the account did not exceed 20% in cash or money market investments at the end of the previous quarter. Otherwise the balance in excess of 20% will not be included in the value of your account for fee purposes. This fee billing provision is intended to equitably assess advisory fees to client assets for which an ongoing advisory service is being provided, and the exclusion of excess cash from the advisory fee is intended to benefit clients holding substantial cash balances (as a percentage of the total individual account value) for an extended period of time. However, this provision may pose a financial disincentive to an Investment Advisor Representative, as the portion of cash or money market investments will not be included in the asset-based fee charged to the account. This may cause an Investment Advisor Representative to reallocate your account from cash or money market investments to advisory fee eligible investments in order to avoid the application of this provision and therefore receive a fee on the full asset value in a client's account(s).

For non-IRA/ERISA PASSPORT and IMPAC accounts, your Investment Adviser Representative may elect to absorb all or a portion of the Processing Fee. Certain open-end mutual funds which may be acquired by clients, may, in addition to assessing management fees, internally assess a distribution fee pursuant to section 12(b)-1 of the Investment Company Act of 1940, or an administrative or service fee ("trail"). Such fees are included in the calculation of operating expenses of a mutual fund and are disclosed in the fund prospectus. However, if the Investment Advisor Representative elects to absorb the Processing Fees in non-IRA/ERISA

accounts, they may also elect to receive trails paid by the fund company, if any, to defray the cost of the Processing Fees they absorb. If such an election is made, there may be a conflict of interest where the Investment Advisor Representative may have an incentive to absorb all of the Processing Fees in consideration of the actual or anticipated trails they will receive.

You should understand that the annual advisory fees charged in the PASSPORT and IMPAC programs are in addition to the management fees and operating expenses charged by open-end, closed-end and exchange-traded funds. To the extent that you intend to hold fund shares for an extended period of time, it may be more economical for you to purchase fund shares outside of these programs. You may be able to purchase mutual funds directly from the respective fund families without incurring our advisory fee. When purchasing directly from fund families, you may incur a front- or back-end sales charge.

You should also understand that the shares of certain mutual funds offered in these programs may impose short-term trading charges (typically 1%-2% of the amount originally invested) for redemptions generally made within short periods of time. These short-term charges are imposed by the funds (and not by us) to deter "market timers" who trade actively in fund shares. You should consider these short-term trading charges when selecting the program and/or mutual funds in which you invest. These charges, as well as operating expenses and management fees, which may increase the overall cost to you by 1%-2% (or more), are available in each fund's prospectus.

You should also understand that certain no-load variable annuities may be offered in the PASSPORT and IMPAC programs and may be charged an advisory fee. The annual advisory fees charged for these no-load variable annuities are in addition to the management fees and operating expenses charged by the insurance companies offering these products.

You should also understand that more sophisticated investments such as short sells and margins may be offered in the PASSPORT and IMPAC programs. Fees for advice and execution on these securities are based on the total asset value of the account. While a negative amount may show on your statement for the margined security as the result of a lower net market value, the amount of the fee is based on the absolute market value. This could create a conflict of interest where an Investment Advisor Representative may have an incentive to encourage the use of margin to create a higher market value and therefore receive a higher fee. The use of margin may also result in interest charges in addition to all other fees and expenses associated with the security involved.

Your total cost for each of the services provided through these programs, if purchased separately, could be more or less than the costs of each respective program. Cost factors may include your ability to:

- 1) obtain the services provided within the programs separately with respect to the selection of mutual funds,
- 2) invest and rebalance the selected mutual funds without the payment of a sales charge, and
- 3) obtain performance reporting comparable to those provided within each program.

When making cost comparisons, you should be aware that the combination of multiple mutual fund investments, advisory services, custodial and brokerage services available through each program may not be available separately or may require multiple accounts, documentation and fees. If an account is actively traded or the client otherwise may not qualify for reduced sales charges for fund purchases, the fees may be less expensive than separately paying the sales charges and advisory fees. If an account is not actively traded or the client otherwise would qualify for reduced sales charges, the fees in these programs may be more expensive than if utilized separately.

Your Investment Advisor Representative may have a financial incentive to recommend a fee-based advisory program rather than paying for investment advisory services, brokerage, performance reporting and other services separately. A portion of the annual advisory fee is paid to your Investment Advisor Representative, which may be more than the Investment Advisor Representative would receive under an alternative program offering or if you paid for these services separately. Therefore, your Investment Advisor Representative may have a financial incentive to recommend a particular account program over another. Investment Advisor

Representatives do not receive a financial incentive to recommend and sell proprietary mutual funds versus non-proprietary funds. However, because compensation structures vary by product type, Investment Advisor Representatives may receive higher compensation for certain product types. In addition, your Investment Advisor Representative may receive incentive compensation for utilizing a particular account program.

We believe the charges and fees offered within each fee-based program are competitive with alternative programs available through other firms and/or investment sources, yet makes no guarantee that the aggregate cost of a particular program is lower than that which may be available elsewhere.

Clients that terminate the advisory agreement(s) within the first five (5) business days of entering into the advisory agreement will have any advisory fees that were charged refunded back to them. All above quoted fees may be negotiated within the stated fee schedule; however certain circumstances may dictate an exception from the set range.

### **Financial Planning and Consulting Services**

We provide broad based, modular and consultative financial planning services for a fee. Such services typically involve providing a variety of services to clients regarding the management of their financial resources, based upon an analysis of their individual needs.

The process typically begins with an initial complementary consultation during which the various services we provide are explained. During or after the initial consultation, if you decide to engage us for financial planning services, an Investment Advisor Representative will conduct follow up meetings as necessary, during which pertinent information about your financial circumstances and objectives is collected. Once such information has been reviewed and analyzed, a written financial plan, designed to achieve your stated financial goals and objectives, will be produced and presented to you. The primary objective of this process is to allow us to assist you in developing a strategy for the successful management of income, assets, and liabilities in meeting your financial goals and objectives.

The written financial plan developed for you usually includes general recommendations for a course of activity or specific actions to be taken by you. For example, recommendations may be made that you obtain insurance or revise existing coverage, establish an individual retirement account, or increase or decrease invested funds.

Financial plans are based on your financial situation at the time the plan is presented and are based on financial information you disclose to us. Clients are advised that certain assumptions may be made with respect to interest and inflation rates and use of past trends and performance of the market and economy. Past performance is in no way an indication of future performance. We cannot offer any guarantees or promises that your financial goals and objectives will be met. As your financial situation, goals, objectives, or needs change, you must notify us promptly.

We charge a base fixed fee of \$3,000 for broad based financial planning, which fee may vary based upon the complexity of your financial profile. An initial retainer of 50% will be required upon signing of the agreement with the remaining portion due upon completion of the financial plan. In certain circumstances, we may provide modular financial planning and/or consulting services, which address particular areas of concern, for a negotiable hourly fee of \$160. The fee for such services will be due upon completion of the services rendered.

You may terminate the financial planning agreement within five days of the date of execution without penalty to you. After the five-day period, either party may terminate the agreement by providing written notice to the other party. In the event you terminate the agreement after five days of execution, you will be charged for the portion of work we performed.

### **Individual Directed Retirement Account Services**

We provide advice on asset allocation modeling and investment selection to participants in qualified plans. We provide such services through an Internet-based application that allows clients to log in with a specified username and password. Once you have logged in to the site and submitted the required information, we will, in turn, provide a professional asset allocation model to you based upon specific information provided by you

such as age, account balance and risk tolerance. Based upon the participant's information, the investments available in the participant's plan, and past and expected market performance, we recommend a model portfolio consisting of a combination of investments available to and suitable for the participant in achieving his/her investment goals and objectives.

Our fee for such services, subject to negotiation depending on the type of investments available in the plan, and the number of plan participants that utilize the service are as follows:

- A fixed fee ranging between \$36 and \$72 per participant, per year, if the plan sponsor contracts with and pays our advisory fee.
- A fixed fee ranging between \$8.33 and \$20.83 per participant, per month, if the participant contracts with us and pays our advisory fee via automated payroll deduction.
- A fixed fee ranging between \$125 and \$250, paid quarterly in advance, if the participant contracts with us and we invoice the participant directly.

We also offers advice on investments outside the scope of investments offered by the plan for an annualized negotiable fee ranging between 0.50% and 1.25% of the initial balance in the account, payable quarterly in advance. The initial fee agreed upon is fixed for one year regardless of the value of the account during the year and thereafter may be adjusted on the anniversary date of the agreement. Fees will be assessed pro rata in the event the agreement is executed at any time other than the first day of a calendar quarter.

Either party may terminate the Individual Directed Retirement Account Services agreement within 5 days of acceptance without penalty to you. After the five day period, either party, upon written notice to the other, may terminate the agreement. In the event of termination, fees will be pro-rated for the quarter in which the cancellation notice was given and any unearned fees will be returned to you.

### **Pension Consulting**

We provide pension consulting services to employee benefit plans and their fiduciaries based upon an analysis of the needs of the plan. In general, these services may include any one or all of the following:

- a) *Comprehensive Marketplace Search* – We will search the marketplace and provide quotations from leading retirement plan service providers.
- b) *Service Provider Analysis* – We will analyze data regarding fees and services of responding retirement plan service providers, including plan features and service standards.
- c) *Recommendations* – We will make recommendations regarding plan service provider selection based upon study results and your goals and objectives.
- d) *Plan Benchmarking Studies* – We will compare your current retirement plan data against industry and same-size employer benchmarks. Best practices are then applied to improve results.
- e) *Existing Plan Review* – A plan review is a comprehensive exam of major components of your retirement plan in order to identify strengths and weaknesses. The review can cover such areas as overall plan structure, related costs, and plan documentation.
- f) *Ongoing Consulting* – We will also provide quarterly investment reviews of the plan's investments to ensure suitability of investments and conformity with the plan's Investment Policy Statement. In some instances, where we determine that current plan investments are under performing, we will make general and occasionally, specific recommendations as to re-balancing plan assets in various investment media, including mutual funds and non-securities investments.

We will be compensated for pension consulting services based on either our hourly rate ranging between \$160 and \$200, depending on the scope and complexity of the contracted services, or on an asset based fee that ranges between 0.15% and 1.2% per year. For comprehensive plan analysis, we offer a fixed fee payment option which will be negotiated with clients on a case-by-case basis. We require payment of pension consulting fees either upon completion of the contracted services or quarterly in arrears.



Either party may terminate the pension consulting agreement by providing 30 days written notice to the other party. In the event the agreement is terminated, you will incur charges for bona fide services provided prior to such cancellation and fees will be due and payable by the client. Refunds are not applicable as fees are payable in arrears.

All Client accounts are regulated under the Employee Retirement Income Securities Act ("ERISA"). We will provide consulting services to the plan fiduciaries as described above. Typically, the named plan fiduciary must make the ultimate decision as to retaining the services of such investment advisers as we recommend. The plan fiduciary is free to seek independent advice about the appropriateness of any recommended services for the plan.

### **Types of Investments**

We offer advice on equity securities, warrants, corporate debt securities, certificates of deposit, municipal securities, investment company securities, US Government securities, options contracts on securities, and interest in partnerships investing in real estate. Additionally, we may advise you on any type of investment that we deem appropriate based on your stated goals and objectives. We may also provide advice on any type of investment held in your portfolio at the inception of our advisory relationship.

You may request that we refrain from investing in particular securities or certain types of securities. You must provide these restrictions to our firm in writing.

### **Assets Under Management**

As of December 31, 2010, we manage \$21,573,725 in client assets on a discretionary basis and \$11,340,563 in client assets on a non-discretionary basis.

## ***Fees and Compensation***

Form ADV Part 2A, Item 5

Please refer to the "Advisory Business" section in this brochure for information on our advisory fees, fee deduction arrangements, and refund policy according to each service we offer.

### **Additional Fees and Expenses**

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. You will also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed.

To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, please refer to the "Brokerage Practices" section of this brochure.

Effective March 1, 2011, select fund companies have agreed to pay administrative fees to Raymond James Associates ('RJA') in consideration for RJA's waiver of the \$30 Processing Fee assessed on certain Passport Account mutual fund purchases ("Participating Funds"). Raymond James Financial Advisors do not receive any part of these payments. For a list of fund companies that have agreed to pay Raymond James servicing fees for eligible purchases of Participating Funds, please contact us at the telephone number on the cover page of this brochure. Questions on this may be directed to RJFSCompliance@RaymondJames.com or by calling RIA Compliance at 727-567-5877.

### **Compensation for the Sale of Securities or Other Investment Products**

Persons providing investment advice on behalf of our firm are registered representatives with Raymond James Financial Services, Inc., a securities broker-dealer, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. In their capacity as registered representatives, for those non-discretionary client accounts, these persons will receive commission-based compensation in connection with the purchase and sale of securities, including 12b-1 fees for the sale of investment company products.

Compensation earned by these persons in their capacities as registered representatives is separate and in addition to our advisory fees. However, you are under no obligation, contractually or otherwise, to purchase securities products through any person affiliated with our firm.

Persons providing investment advice on behalf of our firm are licensed as independent insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate and in addition to our advisory fees.

This practice presents a conflict of interest because these persons have an incentive to recommend securities or insurance products to you for the purpose of generating commissions rather than solely based on your needs. However, you are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

### ***Performance-Based Fees and Side-By-Side Management***

Form ADV Part 2A, Item 6

We do not accept performance-based fees or participate in side-by-side management. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Our fees are calculated as described in the *Advisory Business* section above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

### ***Types of Clients***

Form ADV Part 2A, Item 7

We offer investment advisory services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations and corporations.

In general, we require a minimum of \$250,000 to open and maintain an advisory account. At our discretion, we may waive or lower this minimum account size. For example, we may waive the minimum if you appear to have significant potential for increasing your assets under our management.

## **Methods of Analysis, Investment Strategies and Risk of Loss**

Form ADV Part 2A, Item 8

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio.

### **Methods of Analysis**

We may use one or more of the following methods of analysis when formulating investment advice:

- Charting Analysis – involves the gathering and processing of price and volume information for a particular security. This price and volume information is analyzed using mathematical equations. The resulting data is then applied to graphing charts, which is used to predict future price movements based on price patterns and trends.
- Fundamental Analysis – involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value.
- Technical Analysis – involves studying past price patterns and trends in the financial markets to predict the direction of both the overall market and specific stocks.
- Cyclical Analysis – a type of technical analysis that involves evaluating recurring price patterns and trends.
- Modern Portfolio Theory (MPT) is a theory of investment which attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, by carefully diversifying the proportions of various assets.

### **Associated Risks**

Charting and Technical Analysis - The risk of market timing based on technical analysis is that charts may not accurately predict future price movements. Current prices of securities may reflect all information known about the security and day to day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

Fundamental Analysis - The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

Cyclical Analysis - Economic/business cycles may not be predictable and may have many fluctuations between long term expansions and contractions. The lengths of economic cycles may be difficult to predict with accuracy and therefore the risk of cyclical analysis is the difficulty in predicting economic trends and consequently the changing value of securities that would be affected by these changing trends.

### **Investment Strategies**

We may use one or more of the following investment strategies when providing investment advice to you:

- Long Term Purchases – securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.
- Short Term Purchases – securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.
- Short Sales – a securities transaction in which an investor sells securities he or she borrowed in



anticipation of a price decline. The investor is then required to return an equal number of shares at some point in the future. A short seller will profit if the stock goes down in price.

- **Margin Transactions** – a securities transaction in which an investor borrows money to purchase a security, in which case the security serves as collateral on the loan.
- **Option Writing** – a securities transaction that involves selling an option. An option is the right, but not the obligation, to buy or sell a particular security at a specified price before the expiration date of the option. When an investor sells an option, he or she must deliver to the buyer a specified number of shares if the buyer exercises the option. The seller pays the buyer a premium (the market price of the option at a particular time) in exchange for writing the option.

We may use short-term trading (in general, selling securities within 30 days of purchasing the same securities) as an investment strategy when managing your account(s). Short-term trading is not a fundamental part of our overall investment strategy, but we may use this strategy occasionally when we determine that it is suitable given your stated investment objectives and tolerance for risk.

### ***Tax Considerations***

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you continuously consult with a tax professional prior to and throughout the investing of your assets.

Moreover, as a result of revised IRS regulations, custodians and broker-dealers will begin reporting the cost basis of equities acquired in client accounts on or after January 1, 2011. Our firm will either instruct the custodian to use the first-in first-out (“FIFO”) accounting method for calculating and reporting the cost basis of your investments or the custodian will default to the FIFO method where no instruction is given.

You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, please provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Please note that decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

### ***Risk of Loss***

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

## ***Disciplinary Information***

Form ADV Part 2A, Item 9

The Financial Junction has been registered and providing investment advisory services since 1997. Neither our firm nor any of our management people have any reportable legal or disciplinary events.

## ***Other Financial Industry Activities and Affiliations***

Form ADV Part 2A, Item 10

### **Registrations with Broker-Dealer**

Persons providing investment advice on behalf of our firm are registered representatives with Raymond James Financial Services, Inc., a securities broker-dealer, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. Please see the "Fees and Compensation" section in this brochure for more information on the compensation received by our investment Advisor Representatives who are registered with RJFS and how we address any material conflicts of interest.

### **Arrangements with Affiliated Entities**

We are affiliated with Cade & Lee, Inc., an insurance agency, through common control and ownership. Certain individuals providing investment advice on behalf of our firm are licensed as insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate from our advisory fees. Please see the "Fees and Compensation" section in this brochure for more information on the compensation received by insurance agents who are affiliated with our firm.

These affiliated firms are otherwise regulated by the professional organizations to which they belong and must comply with the rules of those organizations.

We are affiliated with Benefit Brokers (a DBA of Cade and Lee, Inc.) through common control and ownership. We may recommend that you use the services of Benefit Brokers for your Group Health and Life Insurance needs and if appropriate and suitable for your needs. Our advisory services are separate and distinct from the fees paid to Benefit Brokers for their services.

These referral arrangements we have with our affiliated entities present a conflict of interest because we may have a financial incentive to recommend our affiliates' services. While we believe that compensation charged by our affiliates are competitive, such compensation may be higher than fees charged by other firms providing the same or similar services. You are under no obligation to use our affiliates' services and may obtain comparable services and/or lower fees through other firms.

## ***Code of Ethics, Participation or Interest in Client Transactions and Personal Trading***

Form ADV Part 2A, Item 11

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for our Associated Persons. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All of our Associated Persons are expected to adhere strictly to these guidelines. Our Code of Ethics also requires that certain persons associated with our firm submit reports of their personal account holdings and transactions to a qualified representative of our firm who will review these reports on a periodic basis. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

You may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

**Participation or Interest in Client Transactions**

Neither our firm nor any of our Associated Persons has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this brochure.

**Personal Trading Practices**

Our firm or persons associated with our firm may buy or sell the same securities that we recommend to you or securities in which you are already invested. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To eliminate this conflict of interest, it is our policy that neither our Associated Persons nor we shall have priority over your account in the purchase or sale of securities.

***Brokerage Practices***

Form ADV Part 2A, Item 12

We recommend the brokerage and custodial services of Raymond James Financial Services, Inc. ('RJFS'), a securities broker-dealer and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. We believe that RJFS provides quality execution services for you at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided by RJFS, including the value of research provided, the firm's reputation, execution capabilities, commission rates, and responsiveness to our clients and our firm. In recognition of the value of research services and additional brokerage products and services RJFS provides, you may pay higher commissions and/or trading costs than those that may be available elsewhere.

Persons providing investment advice on behalf of our firm who are registered representatives of RJFS will recommend RJFS to you for brokerage services. These individuals are subject to applicable rules that restrict them from conducting securities transactions away from RJFS unless RJFS provides the representative with written authorization to do so. Therefore, these individuals are generally limited to conducting securities transactions through RJFS. It may be the case that RJFS charges higher transactions costs and/or custodial fees than another broker charges for the same types of services. If transactions are executed through RJFS, these individuals (in their separate capacities as registered representatives of RJFS) may earn commission-based compensation as result of placing the recommended securities transactions through RJFS. This practice presents a conflict of interest because these registered representatives have an incentive to effect securities transactions for the purpose of generating commissions rather than solely based on your needs. You may utilize the broker-dealer of your choice and have no obligation to purchase or sell securities through such broker as we recommend. Please see the "Fees and Compensation" section in this brochure for more information on the compensation received by registered representatives who are affiliated with our firm.

**Brokerage for Client Referrals**

We may receive client referrals from RJFS through our participation in RJFS' Professional Partner Program ["PPP"]. In addition to meeting the minimum eligibility criteria for participation in the referral program, including the amount and profitability of the assets in, and trades placed for, our clients' accounts maintained with RJFS. RJFS is an independent broker-dealer. The PPP is not affiliated with RJFS and there is no employee contract with RJFS. RJFS has established the referral program as a means of referring its brokerage customers and other investors seeking fee-based personal investment management services or financial planning services to independent investment advisers. RJFS does not supervise our firm and has no responsibility for the management of your portfolios or other advice or services we offer. We may pay the individual associated with the PPP a fee for each successful referral. This fee is usually a percentage of the advisory fee that you pay to our firm (Solicitation Fee). We may also pay the individual associated with the PPP the Solicitation Fee on any advisory fees received by our firm from any of your family members, including a spouse, child, or any other family member who resides with you and who has hired our firm on your recommendation. If you are referred to

our firm through a referral program, we will not charge you any additional fees or costs in excess of our standard fee schedule. We will not pass Solicitation Fees paid to RJFS on to you.

Our participation in a referral program raises a conflict of interest. RJFS will most likely refer you to investment advisors that encourage investors to custody their assets at RJFS and whose accounts are profitable to RJFS. Consequently, we may have an incentive to recommend a particular RJFS to you for custodial and brokerage services based in part on an interest in obtaining referrals from RJFS, rather than on your sole interest in receiving favorable execution. In addition, we have agreed not to solicit clients referred to our firm through a referral program to transfer their accounts from RJFS or to establish brokerage or custody accounts at other custodians, except when it is our fiduciary duty to do so. Our participation in a referral program does not diminish our duty to seek best execution of trades for your accounts.

Our procedures governing directing brokerage in exchange for client referrals mandates that we consider disproportionate commissions generated as a result of such arrangements and exclude consideration of fees generated by referred clients in our periodic evaluation of best execution.

#### **Directed Brokerage**

We routinely recommend that you direct our firm to execute transactions through RJFS. As such, we may be unable to achieve the most favorable execution of your transactions and you may pay higher brokerage commissions than you might otherwise pay through another broker-dealer that offers the same types of services. Not all advisers require their clients to direct brokerage.

#### **Block Trades**

We combine multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as "block trading"). We will then distribute a portion of the shares to participating accounts in a fair and equitable manner. The distribution of the shares purchased is typically proportionate to the size of the account, but it is not based on account performance or the amount or structure of management fees. Subject to our discretion regarding factual and market conditions, when we combine orders, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs. Accounts owned by our firm or persons associated with our firm may participate in block trading with your accounts; however, they will not be given preferential treatment.

### ***Review of Accounts***

Form ADV Part 2A, Item 13

Mark Cade, President, will review accounts on at least a quarterly basis. Triggering factors that may stimulate an additional review include, but are not limited to, significant market corrections, large deposits or withdrawals from your account, substantial changes in the value of your portfolio and a change in your investment objectives.

At least quarterly, you will receive a brokerage statement from the firm's custodian, Raymond James and Associates (RJA). The brokerage statement contains the cash balance, type, name and amount of each security, the current market value of each security, account activity for the period, and when available, the unrealized gain or loss of each security. You will also receive a confirmation of each transaction from RJA, and if available and if elected, a monthly or quarterly trade confirmation report.

You should refer to the specific program descriptions under the *Advisory Business* section for details of all other reports provided to clients for the respective program.

## ***Client Referrals and Other Compensation***

Form ADV Part 2A, Item 14

As disclosed under the *Fees and Compensation* section in this brochure, persons providing investment advice on behalf of our firm may be licensed insurance agents, and are registered representatives with Raymond James Financial Services, Inc., a securities broker-dealer, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. For information on the conflicts of interest this presents, and how we address these conflicts, please refer to the *Fees and Compensation* section.

## ***Custody***

Form ADV Part 2A, Item 15

As the paying agent for our firm, RJFS will directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. You will receive account statements from the independent, qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy.

We have entered into contractual arrangements with James S. Johnson under which he receives compensation from our firm for the establishment of new client relationships. Individuals who refer clients to our firm must comply with the requirements of the jurisdictions where they operate. The compensation to James S. Johnson is equal to a percentage of the advisory fee you pay our firm upon your signing an advisory agreement. You will not be charged additional fees based on this compensation arrangement. Incentive based compensation paid to James S. Johnson is contingent upon you entering into an advisory agreement with our firm. Therefore, James S. Johnson has a financial incentive to recommend our firm to you for advisory services. This creates a conflict of interest; however, you are not obligated to retain our firm for advisory services. Comparable services and/or lower fees may be available through other firms.

### ***Investment Discretion***

Form ADV Part 2A, Item 16

Before we can buy or sell securities on your behalf, you must first review and sign off on our risk questionnaire in order for you to impose the level of risk you would like to take within your portfolio. This will be reviewed by your designated Investment Advisor Representative on a yearly basis.

You may grant our firm discretion over the selection and amount of securities to be purchased or sold for your account(s) without obtaining your consent or approval prior to each transaction. You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry or security. Please refer to the "Advisory Business" section in this brochure for more information on our discretionary management services.

### ***Voting Client Securities***

Form ADV Part 2A, Item 17

We will not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of applicable securities, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitation to vote proxies.

### ***Financial Information***

Form ADV Part 2A, Item 18

Our firm does not have any financial conditions or impairments that would prevent us from meeting our contractual commitments to you. We do not take physical custody of client funds or securities, or serve as trustee or signatory for client accounts, and, we do not require the prepayment of more than \$1,200 in fees six or more months in advance. Therefore, we are not required to include a financial statement with this brochure.

## ***Additional Information***

### **Your Privacy**

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure. We do not disclose any nonpublic personal information about you to any nonaffiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

We restrict internal access to nonpublic personal information about you to employees, who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your nonpublic personal information and to ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. Please contact our main office at the telephone number on the cover page of this brochure if you have any questions regarding this policy.

### **Trade Errors**

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account. If a trade error results in a profit, you will keep the profit.

### **Class Action Lawsuits**

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.