

Part 2A of Form ADV: Firm Brochure

Item 1 Cover Page

March 31, 2010

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This Brochure provides information about the qualification and business practices of AFC Asset Management Services, Inc. If you have any questions about the contents of this brochure, please contact us at 310.588.5000 or at info@afcassetmanagement.com. 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 AFC Asset Management Services, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov.

AFC Asset Management Services, Inc. is a registered investment advisor however this does not imply a certain level of skill or training within the industry.

Item 2 Material Changes

These material changes occurred since our last annual ADV update on January 22, 2010.

- AFC Asset Management Services, Inc (AFC) hired Veska Kita, Vice President of Financial Planning on February 8, 2010.
- AFC hired Thomas Sheehy, Sr. Financial Advisor on February 8, 2010.
- AFC has also begin offering the following products and services:
 - Corporate Retirement Plan Services (CRPS), an investment service for 401(k) Plans and other types of retirement plans in which the participants self direct their respective accounts within the program. There is a diversified offering of mutual funds provided and, potentially, AFC's managed accounts within the CRPS service.
 - Investment Consulting Services (ICS). The client and AFC will *work together* to design and implement an Investment Policy for the account.
 - Tax-Advantaged Fixed Income Strategy (TAFIS). This strategy pursues current income through the purchase of federal tax exempt municipal fixed income issued through U.S. states and eligible territories.
 - Business Planning Services (BPS). This is a consultative process designed to elicit your corporate vision, assess strategy and implement a plan to achieve organizational goals.
 - Financial Planning Services (FPS). AFC reviews client's present financial situation and issue written financial planning recommendations.
 - AFC also began offering assistance with the setup and administration of:
 - Health Savings Accounts (HSAs)
 - Deferred Compensation Plans for Businesses

For more information, please see Item 4 Advisory Business and Item 5 Fees and Compensation.

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Item 4 Advisory Business

Description of AFC Asset Management Services, Inc.

AFC Asset Management Services, Inc. (AFC) is an investment advisory firm serving the needs of individual investors and businesses since 1985. Barry Cliff, President and Treasurer, 100% owner of AFC as has been since the company's formation in 1985.

Our services include personal financial planning, business planning, investment management and corporate retirement plan solutions.

Services offered by AFC:

- AFC offers the Dynamic Asset Allocation Service (DAA) managed account strategy that combines some of the principles of market timing with more traditional asset management. AFC uses a proprietary methodology to indicate the level of risk relative to the potential reward in mutual funds, exchange traded funds (ETFs) funds and variable insurance sub-accounts representing a variety of equity and non-equity asset classes. AFC then attempts to position client assets in those investments where it deems this relationship to be most favorable based on the client's expressed risk tolerance. AFC does not subscribe to the common belief that fixed income investments, such as bonds, inherently bear less risk than equities. AFC also does not subscribe to the common belief that "short sales" are more risky than going long. Mutual funds using short sales or options may be used when, in AFC's opinion, it is the prudent position to take. AFC believes that the risk in most asset classes will vary depending on many factors, and that at any given time any asset class may have more or less risk than another.

There are three portfolios in DAA:

- **The "Conservative" Portfolio:** This portfolio is most suitable for investors who consider conservation of capital as their primary goal, and either capital appreciation or income as their secondary goal. AFC will utilize a portfolio of mutual funds, Exchange Traded Funds (ETFs) or variable insurance sub-accounts that, in our opinion, offer the best possible return while maintaining a conservative risk of loss. The Conservative portfolio may include investments that move contrary to traditional investment vehicles, such as mutual funds, ETFs or variable insurance sub-accounts that "short" the market. Depending on our view of market conditions, a conservative strategy could be invested anywhere from 100% in money market funds to, on very rare occasions, 100% in stock funds.
- **The "Moderate" Portfolio:** This portfolio is most suitable for investors who consider growth of principle over the long term as their primary goal, and either conservation of capital or income as their secondary goal. AFC will utilize a portfolio of mutual funds, ETFs or variable insurance sub-accounts that, in our opinion, offer the best possible return while maintaining a moderate risk of loss. The Moderate portfolio may include investments that move contrary to traditional investment vehicles, such as mutual funds, ETFs and variable insurance sub-accounts that "short" the market.
- **The "Aggressive" Portfolio:** This portfolio is most suitable for investors who seek to maximize gains and are willing to tolerate substantial volatility and risk of loss. AFC will utilize a portfolio mutual funds, ETFs or variable insurance sub-accounts that, in our opinion, offer the greatest potential for substantial gains in the near to intermediate term. The Aggressive portfolio may include investments that move contrary to traditional investment vehicles, such as mutual funds, ETFs or variable insurance sub-accounts that "short" the market. Due to the relationship between the increased potential for gains with the increased risk and volatility, clients should be aware that there is a greater chance for significant losses when selecting the Aggressive portfolio.

- AFC offers Corporate Retirement Plan Services (CRPS), an investment service for 401(k) Plans and other types of retirement plans in which the participants self direct their respective accounts within the program. There is a diversified offering of mutual funds provided as well as AFC's managed accounts within the CRPS service.
- AFC offers Investment Consulting Services (ICS). The client and AFC will *work together* to design and implement an Investment Policy for the account.
- AFC offers Tax-Advantaged Fixed Income Strategy (TAFIS). This strategy pursues current income through the purchase of federal tax exempt municipal fixed income issued through U.S. states and eligible territories.
- AFC offers Business Planning Services (BPS). This is a consultative process designed to elicit your corporate vision, assess strategy and implement a plan to achieve organizational goals.
- AFC offers Financial Planning Services (FPS). AFC reviews client's present financial situation and issue written financial planning recommendations. AFC takes a fully integrated, comprehensive approach to financial planning that is centered on what's most important to each client. We focus on unique goals, develop an actionable plan to achieve them, and manage the financial plan through the years.

AFC's Financial Planning Services helps the client achieve their goals through:

- Retirement Planning
- College Saving
- Estate Planning
- Charitable Giving

With AFC's Financial Planning Services, our advantage is our experience, objectivity and our process. Our planning process follows these steps:

- Establish responsibilities and the working relationship for you and your AFC financial advisor
 - Define your financial goals, timeframes and your tolerance for risk
 - Gather and analyze all pertinent information about your financial situation
 - Recommend approaches to meet your goals
 - Implement your financial plan, coordinating with you and other professionals and advisors
 - Monitor your plan, assessing progress on a yearly basis or as your financial circumstances change, and make any necessary adjustments along the way AFC's planning relationship is built on trust.
- AFC also offers assistance with the setup and administration of:
 - Health Savings Accounts (HSAs)
 - Deferred Compensation Plans for Businesses

Investments Offered

In Dynamic Asset Allocation (DAA), all clients are allocated similarly within their respective Portfolios according to risk level (Conservative, Moderate or Aggressive). For ICS and TAFIS, investment allocations are specifically tailored to the clients' risk tolerance, time horizon, and investment objectives. Corporate Retirement Plan Services clients direct mutual fund investments or elect AFC's DAA by risk tolerance.

- DAA - This service uses open-ended mutual funds, exchange traded funds (ETFs) and variable annuities.
- CRPS - This service uses exclusively open-ended mutual funds.
- ICS – This service may use any of the following types of investments: mutual funds, ETFs, stocks, corporate debt securities, foreign sovereign debt securities, municipal bonds, United States government securities, variable annuities, certificates of deposit, real estate investment trusts (REITs) and Unit Investment Trusts (UITs)

- TAFIS – This service uses exclusively federal tax exempt municipal fixed income issued through U.S. states and eligible territories.

Restrictions on Investments

Clients have the right to place certain requirements and/or restrictions regarding specific investments, fund families or asset classes to be used/not used in their account. Any such request must be presented in writing. In cases where AFC feels its ability to effectively manage the account is greatly hindered by such limitations on its discretion, AFC may refuse to accept such accounts for management.

Assets Under Management

As of December 31, 2010, AFC managed \$31,353,868 of client assets on a discretionary basis and \$1,151,995 of client assets on a non-discretionary basis. The assets managed on a non-discretionary basis are part of the Corporate Retirement Plan Services self directed mutual funds that are not allocated by participants to the managed portfolios.

Item 5 Fees and Compensation

Fees for Dynamic Asset Allocation (DAA), Corporate Retirement Plan Services (CRPS), Tax-Advantaged Fixed Income Strategy (TAFIS) and Investment Consulting Services (ICS) services are negotiable, but are generally based on the schedule shown below.

ASSET MANAGEMENT FEE SCHEDULE FOR DAA, CRPS and ICS:

<u>Assets Under Management</u>	<u>Incremental Annual % Fee</u>
\$ 0 - \$ 250,000	2.00%
\$ 250,001 - \$ 500,000	1.50%
\$ 500,001 - \$ and over	1.25%

ASSET MANAGEMENT FEE SCHEDULE FOR TAFIS:

<u>Assets Under Management</u>	<u>Incremental Annual % Fee</u>
\$ 0 - \$ 500,000	0.60%
\$ 500,001 - \$ 1,000,000	0.55%
\$ 1,000,001 - \$ and over	0.50%

Fees charged for DAA, CRPS, TAFIS and ICS services are payable quarterly in advance.

For example if the client has \$750,000 under management in the DAA Program at the end of the calendar quarter, the management fee would be as follows:

- \$250,000 billed at 0.50% (2.00% divided by 4 quarters) = \$1,250.00
- \$250,000 billed at 0.375% (1.50% divided by 4 quarters) = \$937.50
- \$250,000 billed at 0.3125% (1.25% divided by 4 quarters) = \$781.25

The total management fees are \$2,968.75 for the quarter

The client may authorize AFC to deduct all applicable fees from client's account or may choose to pay by check. All such fees will be clearly reported to clients. In the event the account does not contain a sufficient cash balance to cover the fee, AFC may, at its option, liquidate sufficient fund shares held in the account to cover the fee. AFC will in no way be liable for any loss of capital or opportunity, or any additional charges which may be incurred by doing so. In the event that the fee cannot be taken directly from the account, or the client requests, they can pay the fee directly to AFC.

An example of our invoicing procedure for DAA and ICS account for the March 31, 2010 Quarterly Report for those clients whose management fees are deducted: Fees are based on assets under management on March 31st. Reports were sent out April 10th stipulating that the billing period is from May 1, 2010 through July 31, 2010. The fees were deducted on April 24, 2010.

For CRPS accounts, billing is based on assets under management at the end of the calendar quarter. Management fees are generally billed within 7 days after the end of the quarter and fees are typically deducted 14 days after the end of the quarter. For CRPS accounts, where management fees are directly deducted, fees are prorated across all participant accounts.

Fees charged for BPS and FPS are negotiable and are in the form of a fixed or hourly fee agreed on beforehand between AFC and client. Ongoing financial planning and BPS fees are billed quarterly in advance. Annual/quarterly custodial fees and any additional termination or transfer fees charged by the independent custodian are separate from AFC's fees and are deducted from each account. Also, any trading or specific fees charged to AFC due to executing any specific client request outside normal management operations will be assessed to client's account. Additionally, mutual fund companies and variable annuity companies charge their own internal

management fees and expenses directly to clients' account. Typically, trades clear through Pershing LLC, a BNY Mellon company, unless otherwise agreed on between client and AFC. Pershing Advisor Solutions (PAS) charges \$15 per trade per account for all ETFs, fixed income securities and some mutual funds, which will be passed along to the client. All mutual funds traded through PAS are no load or load waived (sales charges avoided). For certain mutual funds without \$15 trading fees, PAS may charge a \$50 redemption fee if the fund is held less than three months which will also be passed along to the client. While AFC will try to avoid this fee, it may be deemed necessary by AFC to exit the fund as the environment warrants. PAS also receives the 12-B1 fees remitted by fund companies in exchange for providing custodial services, recordkeeping and administration to AFC's clients. For equity trades PAS charges \$0.015 per share with a minimum of \$10.00 which is also passed along to the client. The annual advisory fee includes such direct costs as book keeping, account set-up and maintenance, client service, computer monitoring of investments, sales expenses, etc.

The agreement can be terminated by the client upon giving written notification by certified or registered mail. The refund is prorated for all full and partial months under management. For example, if there are 91 days in the billing cycle and the client terminates the agreement, 40 days into the cycle, they will be given a refund of $(51/90)$ 56.67% of the original billed amount. The refunded management fee will be credited back to the clients account(s) where possible. If this is not possible, AFC will issue a check in the name of the client for the refund.

The officers and Directors of AFC and its affiliates, as well as certain other persons may be charged less than the general public, upon approval of the President of AFC.

Clients have the option to purchase investment products that AFC recommends through other brokers or agents that are not affiliated with AFC thereby potentially reducing or avoiding certain transaction fees, custodial costs, and/or sales charges. Investor, however, understands that in the event of such direct purchase, the client would not receive all of the services described herein.

Item 6 *Performance-Based Fees* and Side-By-Side Management

AFC does not charge performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of the client).

Item 7 Types of *Clients*

AFC Asset Management Services, Inc (AFC) generally provides investment advice to:

- Individuals
- Pension and Profit Sharing Plans
- Trusts
- Estates
- Charitable Organizations
- Corporations or other business entities not listed above

AFC will generally accept any type of account, but retains the right to refuse any account that is less than \$50,000 for Dynamic Asset Allocation, Corporate Retirement Plan Services and Investment Consulting Services accounts and less than \$200,000 for Tax Advantaged Fixed Income Strategy accounts.

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

For prospective and current investors, past performance is no guarantee of future results; all investors face the potential for loss with any investment that they should be prepared to bear.

AFC Asset Management Services, Inc. (AFC) uses charting, fundamental analysis and technical analysis for security analysis. The main sources of information include financial newspapers and magazines, research materials prepared by others, annual reports, prospectuses, filings with the Securities and Exchange Commission, Morningstar, TradeStation and Stockcharts.com.

AFC does not guarantee the future performance of portfolios or any specific level of performance, the success of any investment decision or strategy that AFC may use, or the success of AFC's overall management of investments. Client understands that investment decisions made for the client's account by AFC are subject to various market, currency, economic, political and business risks, and that those investment decisions will not always be profitable. AFC will manage only the securities, cash and other investments held in client's account(s) and in making investment decisions for the account(s), are not obligated to consider any other securities, cash or other investments owned by the client outside of the account(s).

The Client recognizes that there is no assurance as to the timeliness of exchanges, and that any market losses are normal market risks and the risk of client. Funds and custodians may require an indeterminate period of time to establish an account on behalf of the client, and, in addition, may require, once the investment is made, a holding period of indeterminate length. AFC assumes no responsibility for any losses that occur due to any such delays beyond AFC's direct control. The client further recognizes that AFC receives its information and data upon which to base its investment decisions from external sources. It is recognized that AFC cannot assure the accuracy of the information and data received, and that any losses resulting from the accuracy or inaccuracy of such information are normal market risks to be borne by the client.

Except as may otherwise be provided by law, AFC will not be liable to client for (1) any loss that the client may suffer by reason of any investment decision made or other action taken or omitted in good faith by AFC with that degree of care, skill, prudence, and diligence under the circumstances that a prudent person acting in a fiduciary capacity would use; (2) any loss arising from AFC's adherence to client's instructions; or (3) any act or failure to act by the custodian, and broker or dealer to which AFC directs transactions for the account(s), or by any other third party.

One of the main investments types that AFC uses are mutual funds. Some of the major types of material risk involved with investing in mutual funds include investment risk, interest rate risk, currency risk, manager risk, inflation risk and legislative risk. Unforeseen events can cause large fluctuations in mutual fund prices, and you can lose money investing in any mutual fund.

See Item 4 Advisory Business for more information AFC's investment strategies.

Item 9 Disciplinary Information

On June 1, 2009, the Maryland State Securities Commissioner imposed a civil and administrative penalty/fine against AFC Asset Management Services, Inc. (AFC) in the amount of \$5,000 which was promptly paid by AFC. AFC violated Section 11-402 of the Maryland Securities Act by 'employing unregistered investment adviser representatives.' [AFC paid a solicitor (this person was not an employee or Investment Advisor Representative of AFC) for client referrals that was not properly registered in the State of Maryland].

Item 10 Other Financial Industry Activities and Affiliations

AFC Asset Management Services, Inc. is an independent registered investment advisor.

Veska Kita, Vice President Financial Planning, will be working with insurance companies, including Lincoln Financial Group, MetLife and Hartford Life as an agent beginning in March 2011. This is an incidental activity for clients' estate planning needs.

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

AFC Asset Management Services, Inc. (AFC) has adopted a Code of Ethics (Code) designed to comply with Rule 204A-1 under the Investment Advisers Act of 1940. The Code is designed to ensure that the high ethical standards long maintained by Applicant continue to be applied. The purpose of the Code is to preclude activities which may lead to or give the appearance of conflicts of interest, insider trading and other forms of prohibited or unethical business conduct. The excellent name and reputation of our firm continues to be a direct reflection of the conduct of each employee. Pursuant to Section 206 of the Advisers Act, both Applicant and its employees are prohibited from engaging in fraudulent, deceptive or manipulative conduct. Compliance with this section involves more than acting with honesty and good faith alone. It means that AFC has an affirmative duty of utmost good faith to act solely in the best interest of its clients.

Applicant's complete Code of Ethics is available upon request for any client or prospective client.

Principals and investment advisor representatives of AFC are permitted to buy for themselves any security recommended for a client. These transactions are reviewed by AFC's President or appointed principal to ensure against possible conflict of interest and front running. Our Code of Ethics details this policy and is signed and adopted by all Investment Advisor Representatives.

AFC's trading practices and procedures prohibit unfair trading practices and seek to disclose and avoid any actual or potential conflicts of interests and resolve such conflicts in the client's favor. AFC policy also prohibits any employee from acting upon, misusing or disclosing any material non-public information, known as inside information. Any violations of AFC's policy will result in disciplinary action and/or termination.

AFC has adopted various procedures to implement the above trading practices including:

- Distributing the Insider Trading Policy to all employees and new employees upon hire and requires a written acknowledgement by each employee.
- Advisory representatives must disclose personal securities accounts and report at least quarterly any reportable transactions in their employee and employee-related personal accounts.
- Employees must report to the Compliance Officer all business, financial or personal relationships that may result in access to material, non-public information.
- The Chief Compliance Officer reviews all personal investment activity for all employee and employee-related accounts
- The Chief Compliance Officer provides guidance on any possible insider trading situation or question.
- AFC's Insider Trading Policy is reviewed and evaluated on a periodic basis and updated as appropriate.
- The Chief Compliance Officer will prepare, if necessary, a written report to management of any possible violation of AFC's Insider Trading Policy or trading procedures and direction for implementing corrective and/or disciplinary action.

Item 12 Brokerage Practices

Factors considered when selecting Pershing Advisor Solutions (PAS) as AFC's broker/dealer:

PAS caters to the fee only financial advisor and offers our desired range of investment options. PAS does not charge any commissions, but do have transaction fees and early redemption fees for certain investments that are passed along to the client as described in Item 5 Fees and Compensation. In exchange for providing custodial services, record keeping and administration to AFC's clients, PAS receives the 12b-1 fees remitted by fund companies.

In fiscal year 2008, we moved our discretionary accounts to PAS and in turn received the products and services described above.

AFC does not receive any soft dollar benefits (AFC does not receive any research or other products or services other than execution from PAS in connection with client securities transactions).

AFC does not receive client referrals from PAS and therefore has no incentive to direct them specifically to this broker/dealer.

AFC recommends PAS to clients however client is free to use the broker/dealer of their choice. Not all advisers require their clients to direct brokerage. By directing brokerage, AFC may be unable to achieve the most favorable execution of client transactions, and this practice may cost the client more money. For example, the client may pay higher brokerage commissions (or transaction fees) because AFC may not be able to aggregate orders to reduce transaction costs, or the client may receive less favorable prices. However in this case, AFC's clients do not benefit from aggregating transactions as all trades are charged the same proportional transaction fee. AFC does not typically aggregate transactions for trading purposes. There is not a significant opportunity to do so since the majority of transactions are in no load and load waived mutual funds (no cost benefit) or for individual client accounts.

See the last paragraph of Item 5 Fees and Compensation for further information.

Item 13 Review of Accounts

Reviews vary according to the service provided and the complexity of the client's situation. All Dynamic Asset Allocation (DAA), Investment Consulting Services (ICS), Corporate Retirement Plan Services (CRPS) and Tax-Advantaged Fixed Income Strategy (TAFIS) accounts are reviewed at least quarterly by President Barry Cliff, Vice President James Young and/or Vice President of Financial Planning Veska Kita. AFC takes a group approach to reviewing accounts and many of the accounts are reviewed on an ongoing basis. Reviews include evaluation of investments with client Investment Policy Statement information and/or account risk tolerance. If a financial plan exists, the plan will be referenced in the review process as well.

For Financial Planning Services (FPS) and Business Planning Services (BPS), reviews are typically performed once a year or when the client informs AFC that significant changes have taken place in their circumstances or when additional work is contracted for.

Regular written reports are provided to Dynamic Asset Allocation (DAA), Investment Consulting Services (ICS), Corporate Retirement Plan Services (CRPS) and Tax-Advantaged Fixed Income Strategy (TAFIS) clients at least quarterly by the custodian. These reports reflect closing positions of all securities in the accounts.

For DAA accounts, effective January 1, 2000, all individual client written reports are generated through Advent's Axys are compliant with CFA Institute GIPS regarding presentation of performance measurement and reporting.

Composite reports for clients may include both assets under our management and those not under our management and are prepared on a periodic basis or when requested by the client.

Item 14 *Client Referrals and Other Compensation*

AFC Asset Management Services, Inc. (AFC)'s Investment Advisor Representatives (IARs) or associated persons who are administering the client's account may be paid a percentage of the fees collected by AFC. AFC may also compensate outside solicitors for referrals. The IAR, associated person or solicitor generally receives 50% of the fee, but never more than 60%.

Solicitors may be registered representatives of a broker/dealer and may receive commissions, 12b-1 fees or similar compensation, and/or investment advisor representatives of a registered investment advisor. They in no way are responsible for making investment decisions within the Dynamic Asset Allocation, Investment Consulting Services, Tax Advantaged Fixed Income Strategy or Corporate Retirement Plan Services programs, but may be compensated for other services with a percentage of the client's quarterly asset management fee. The quarterly management fee will be paid within thirty (30) days of receipt of those fees by the Advisor. The quarterly management fee shall continue to be calculated and paid until such time as the Client Contract is terminated or until such time as solicitor stops performing the duties associated with the servicing of the account.

The percentage paid to the solicitor is negotiated and disclosed to the client on the Solicitor Disclosure Document which accompanies the Contract.

Item 15 *Custody*

Under SEC rules, AFC Asset Management Services, Inc. (AFC) has custody of client assets solely because AFC deducts fees from client accounts where applicable. AFC uses qualified custodians who send out (at least) quarterly account statements to all clients at their address of record. Clients should carefully review any account opening notices and statements.

AFC sends out Quarterly Reports to Dynamic Asset Allocation (DAA) clients every calendar quarter. Clients are urged to compare these AFC account statements to the statements received from the qualified custodian.

Item 16 Investment Discretion

In the Dynamic Asset Allocation (DAA), Investment Consulting Services (ICS), Tax-Advantaged Fixed Income Strategy (TAFIS) and the managed model portfolios within the Corporate Retirement Plan Services (CRPS) services, AFC Asset Management Services, Inc. (AFC) does have discretion to determine what securities are to be bought and sold and the amounts of those transactions.

For all Programs, client agrees to give AFC investment discretion by signing and dating the appropriate AFC contract and applicable custodial (Pershing Advisor Solutions, MG Trust Company, LLC) agreements. The trading authorization on these forms is appropriately disclosed to client. For accounts where AFC is a 'third party advisor' the client signs and dates a Limited Power of Attorney Authorization Form.

Additionally, clients have the right to place certain requirements and/or restrictions regarding specific investments, fund families or asset classes to be used/not used in their account. Any such request must be presented in writing. In cases where AFC feels its ability to effectively manage the account is greatly hindered by such limitations on its discretion, AFC may refuse to accept such accounts for management.

Item 17 Voting *Client* Securities

AFC Asset Management Services, Inc. (AFC) as a matter of policy and as fiduciary to our clients has the responsibility for voting proxies for portfolio securities consistent with the best economic interests of the clients. Our policy and practice includes the responsibility to monitor corporate actions, receive and vote client proxies and disclose any potential conflicts of interest as well as making information available to clients about voting proxies for their portfolio securities and maintaining relevant and required records.

Voting Guidelines

In the absence of a particular solicitation or specific voting guideline from the client, AFC will vote proxies in the best interest of each particular client. AFC's policy is to vote all proxies from a specific issuer the same way for each client absent qualifying restrictions from a client. Clients are permitted to place reasonable restrictions on AFC's voting authority in the same manner that they may place such restrictions on the actual selection of account securities.

AFC will generally vote in favor of routine corporate housekeeping proposals such as the election of directors and selection of auditors absent conflicts of interest raised by an auditor's non-audit service.

AFC will generally vote against proposals that cause board members to become entrenched or cause unequal voting rights.

In reviewing proposals, AFC will further consider the opinion of management and the effect on management, and the effect on shareholder value and the issuer's business practices.

Conflicts of Interest

AFC will identify any conflicts that exist between the interests of AFC and the client by reviewing the relationship of AFC with the issuer of each security to determine if AFC or any of its employees has any financial, business or personal relationship with the issuer.

If a material conflict of interests exists, the Chief Compliance Officer will determine whether it is appropriate to disclose the conflict to the affected clients, to give the clients an opportunity to vote proxies themselves, or to address the voting issue through other objective means such as voting in a manner consistent with a predetermined voting policy or receiving an independent third party voting recommendation.

Upon request, clients may obtain information from AFC about how AFC voted on the client's securities. In response AFC can provide the name of the issuer, the proposal voted upon, how AFC voted the client's proxy with respect to each proposal which the client inquired.

Clients may obtain a copy of AFC's proxy voting policies and procedures upon request.

Item 18 Financial Information

Not Applicable.

Item 19 Requirements for State-Registered Advisers

Not Applicable.

Part 2B of Form ADV: *Brochure Supplement*

Item 1 Cover Page

March 31, 2010

**Barry Cliff
President
AFC Asset Management Services, Inc.
18310 Montgomery Village Avenue
Suite 440
Gaithersburg, MD 20879
Phone – 301.588.5000**

This Brochure Supplement provides information about Barry Cliff that supplements the AFC Asset Management Services, Inc. (AFC) brochure. You should have received a copy of that brochure. Please contact Jeff Grodsky at 301-588-5000 if you did not receive AFC's Brochure or if you have any questions about the content of this Supplement.

Additional information about Barry Cliff is available on the SEC's website at www.adviserinfo.sec.gov

Item 2 Educational Background and Business Experience

Birth date: 3/31/43

Education (after high school):

1968 Iowa State, Ames, IA
Engineering

1964 -1966
Capital Institute of Technology, Kensington, MD
A.A.S. Degree Engineering

Business background:

4/1985 - current
AFC Asset Management Services, Inc.
18310 Montgomery Village Avenue, Suite 440, Gaithersburg, MD 20879
President, Treasurer, Chairman of Board Director, Financial Planner

6/1985 - 4/2009
Financial Network Investment Corporation
200 North Sepulveda Blvd., Suite 1300, El Segundo, CA 90245
Broker Dealer, Registered Investment Advisor Rep/Financial Planning
Registered Principal, Registered Representative, Advisory Supervisor

5/1974 - 11/98
American Financial Consultants Inc.
8403 Colesville Rd. #810 Silver Spring, MD 20910
Holding company/Insurance
President, Treasurer, Chairman of Board Director

3/1981 - 11/1997
AFC Advisory Services, Inc.
8403 Colesville Rd. #810 Silver Spring, MD 20910
President, Treasurer, Chairman of Board Director, Financial Planner
Reg. Investment Advisor/Financial Planning

Item 3 Disciplinary Information

Not Applicable.

Item 4 Other Business Activities

Barry Cliff is not actively engaged in any substantial investment related businesses or occupations outside of AFC Asset Management Services, Inc. that represent more than 10 percent of Barry Cliff's time and income.

Item 5 Additional Compensation

Not applicable.

Item 6 Supervision

Reviews vary according to the service provided and the complexity of the client's situation. All Dynamic Asset Allocation (DAA), Investment Consulting Services (ICS), Corporate Retirement Plan Services (CRPS) and Tax-Advantaged Fixed Income Strategy (TAFIS) accounts are reviewed at least quarterly by Vice President James Young and/or Vice President of Financial Planning Veska Kita. All officers can be reached at 301.588.5000. AFC takes a group approach to reviewing accounts and many of the accounts are reviewed on an ongoing basis. Reviews include evaluation of investments with client Investment Policy Statement information and/or account risk tolerance. If a financial plan exists, the plan will be referenced in the review process as well.

For Financial Planning Services (FPS) and Business Planning Services (BPS), reviews are typically performed once a year or when the client informs AFC that significant changes have taken place in their circumstances or when additional work is contracted for.

Regular written reports are provided to Dynamic Asset Allocation (DAA), Investment Consulting Services (ICS), Corporate Retirement Plan Services (CRPS) and Tax-Advantaged Fixed Income Strategy (TAFIS) clients at least quarterly by the custodian. These reports reflect closing positions of all securities in the accounts.

For DAA accounts, effective January 1, 2000, all individual client written reports are generated through Advent's Axy's are compliant with CFA Institute GIPS regarding presentation of performance measurement and reporting.

Composite reports for clients may include both assets under our management and those not under our management and are prepared on a periodic basis or when requested by the client.

Item 7 Requirements for State-Registered Advisers

Not Applicable.

Part 2B of Form ADV: *Brochure Supplement*

Item 1 Cover Page

March 31, 2010

**James Young
Vice President
AFC Asset Management Services, Inc.
18310 Montgomery Village Avenue
Suite 440
Gaithersburg, MD 20879
Phone – 301.588.5000**

This Brochure Supplement provides information about James Young that supplements the AFC Asset Management Services, Inc. (AFC) brochure. You should have received a copy of that brochure. Please contact Jeff Grodsky at 301-588-5000 if you did not receive AFC's Brochure or if you have any questions about the content of this Supplement.

Additional information about James Young is available on the SEC's website at www.adviserinfo.sec.gov

Item 2 Educational Background and Business Experience

Birth date: 12/13/75

Education (after high school):

11/2008

PMI Certified Project Management Professional (PMP)

1994 - 1998

University of Richmond, Richmond, VA
Bachelor of Science - Business Administration

2009 – 2011

College for Financial Planning

Business background:

2/2009 - current

AFC Asset Management Services, Inc.
18310 Montgomery Village Avenue, Suite 440, Gaithersburg, MD 20879
Vice President, Investment Advisor Representative

6/2008 - 10/2008

Thomson Reuters
1455 Research Boulevard, Rockville, MD
Director, Integrated Development

9/2002 - 6/2008

Ebix Corporation (formerly Finetre, formerly AnnuityNet)
2350 Corporate Park Drive, Suite 600, Herndon, VA 20171
Vice President, Operations

1998 - 2002

UBS Private Bank, UBS Paine Webber
London, UK, Weehawken, NJ
Assistant VP, Managed Accounts Project Manager
Associate Director, Pan European Product Development

Item 3 Disciplinary Information

Not Applicable.

Item 4 Other Business Activities

James Young is not actively engaged in any substantial investment related businesses or occupations outside of AFC Asset Management Services, Inc. that represent more than 10 percent of James Young's time and income.

Item 5 Additional Compensation

Not applicable.

Item 6 Supervision

Reviews vary according to the service provided and the complexity of the client's situation. All Dynamic Asset Allocation (DAA), Investment Consulting Services (ICS), Corporate Retirement Plan Services (CRPS) and Tax-Advantaged Fixed Income Strategy (TAFIS) accounts are reviewed at least quarterly by President Barry Cliff and/or Vice President of Financial Planning Veska Kita. All officers can be reached at 301.588.5000. AFC takes a group approach to reviewing accounts and many of the accounts are reviewed on an ongoing basis. Reviews include evaluation of investments with client Investment Policy Statement information and/or account risk tolerance. If a financial plan exists, the plan will be referenced in the review process as well.

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Item 7 Requirements for State-Registered Advisers

Not Applicable.

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Item 1 Cover Page

March 31, 2010

**Veska Kita
Vice President Financial Planning
AFC Asset Management Services, Inc.
18310 Montgomery Village Avenue
Suite 440
Gaithersburg, MD 20879
Phone – 301.588.5000**

This Brochure Supplement provides information about Veska Kita that supplements the AFC Asset Management Services, Inc. (AFC) brochure. You should have received a copy of that brochure. Please contact Jeff Grodsky at 301-588-5000 if you did not receive AFC's Brochure or if you have any questions about the content of this Supplement.

Additional information about Veska Kita is available on the SEC's website at www.adviserinfo.sec.gov

Item 2 Educational Background and Business Experience

Birth date: 1/25/1955

Education (after high school):

1974 - 1977

Sofia University, Sofia, Bulgaria
JD Degree

1977 - 1981

Sofia University, Sofia, Bulgaria
LLM Degree

Business background:

2/2010 - Present

AFC Asset Management Services, Inc.
18310 Montgomery Village Avenue, Suite 440, Gaithersburg, MD 20879
Vice President Financial Planning

12/2007 - 9/2009

SunTrust Investment Services, Inc.
8250 Boone Blvd., Vienna, VA 22152
Financial Advisor/Investment Consultant

6/2007 - 12/2007

First Tennessee Brokerage, Inc. (First Horizon)
6200 Tyson's Blvd., McLean, VA 22102
VP, Director Wealth Management
9/2004 - 6/2007

Lincoln Financial Advisors Corporation
6293 Leesburg Pike, Vienna, VA 22182
Managing Principal, VP Mid-Atlantic

9/2004 - 6/2006

Lincoln National Life Insurance Company
6293 Leesburg Pike, Vienna, VA 22182
Broker, Registered Representative

Item 3 Disciplinary Information

On September 16, 2009 Veska Kita was terminated from SunTrust Investment Services, Inc. SunTrust alleged that Veska was 'discharged for offering health insurance products to clients. Health insurance is not an approved [STIS] product.'

Item 4 Other Business Activities

Veska Kita is not actively engaged in any substantial investment related businesses or occupations outside of AFC Asset Management Services, Inc. that represent more than 10 percent of Veska Kita's time and income.

Item 5 Additional Compensation

Not applicable.

Item 6 Supervision

Reviews vary according to the service provided and the complexity of the client's situation. All Dynamic Asset Allocation (DAA), Investment Consulting Services (ICS), Corporate Retirement Plan Services (CRPS) and Tax-Advantaged Fixed Income Strategy (TAFIS) accounts are reviewed at least quarterly by President Barry Cliff and/or Vice President James Young. All officers can be reached at 301.588.5000. AFC takes a group approach to reviewing accounts and many of the accounts are reviewed on an ongoing basis. Reviews include evaluation of investments with client Investment Policy Statement information and/or account risk tolerance. If a financial plan exists, the plan will be referenced in the review process as well.

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Item 7 Requirements for State-Registered Advisers

Not Applicable.

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Item 1 Cover Page

March 31, 2010

**Thomas Sheehy
Sr. Financial Advisor
AFC Asset Management Services, Inc.
18310 Montgomery Village Avenue
Suite 440
Gaithersburg, MD 20879
Phone – 301.588.5000**

This Brochure Supplement provides information about Thomas Sheehy that supplements the AFC Asset Management Services, Inc. (AFC) brochure. You should have received a copy of that brochure. Please contact Jeff Grodsky at 301-588-5000 if you did not receive AFC's Brochure or if you have any questions about the content of this Supplement.

Additional information about Thomas Sheehy is available on the SEC's website at www.adviserinfo.sec.gov

Item 2 Educational Background and Business Experience

Birth date: 3/27/1949

Education (after high school):

1977 - 1979

Xavier University, Cincinnati, OH
Masters of Business Administration

1970 - 1971

Campbell University, Buies Creek, NC
Bachelor of Business Studies

1967 - 1969

Duke University, Durham, NC

Business background:

2/2010 - Present

AFC Asset Management Services, Inc.
18310 Montgomery Village Avenue, Suite 440, Gaithersburg, MD 20879
Sr. Financial Advisor

4/2008 - 9/2009

SunTrust Investment Services, Inc.
8330 Boone Blvd., Vienna, VA 22182
Investment Consultant

3/2006 - 4/2008

Citigroup Global Markets
1050 Connecticut Ave. NW, Washington, DC 200036
Financial Advisor

9/1996 - 9/2005

Lexmark International
2301 Research Blvd., Rockville, MD 20850
Business Development Manager

Item 3 Disciplinary Information

On September 16, 2009 Thomas Sheehy was terminated from SunTrust Investment Services, Inc. SunTrust alleged that Thomas was 'discharged for offering health insurance products to clients. Health insurance is not an approved [STIS] product.'

Item 4 Other Business Activities

Thomas Sheehy is not actively engaged in any substantial investment related businesses or occupations outside of AFC Asset Management Services, Inc. that represent more than 10 percent of Thomas Sheehy's time and income.

Item 5 Additional Compensation

Not applicable.

Item 6 Supervision

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Item 7 Requirements for State-Registered Advisers

Not Applicable.

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Item 1 Cover Page

March 31, 2010

**Jeff Grodsky
Financial Advisor
AFC Asset Management Services, Inc.
18310 Montgomery Village Avenue
Suite 440
Gaithersburg, MD 20879
Phone – 301.588.5000**

This Brochure Supplement provides information about Jeff Grodsky that supplements the AFC Asset Management Services, Inc. (AFC) brochure. You should have received a copy of that brochure. Please contact Jeff Grodsky at 301-588-5000 if you did not receive AFC's Brochure or if you have any questions about the content of this Supplement.

Additional information about Jeff Grodsky is available on the SEC's website at www.adviserinfo.sec.gov

Item 2 Educational Background and Business Experience

Birth date: 6/6/1977

Education (after high school):

1997-2001

University of Maryland, College Park
Bachelor of Science - Robert H. Smith School of Business

2009 – Present

College for Financial Planning

Business background:

7/2000 - current

AFC Asset Management Services, Inc.
18310 Montgomery Village Avenue, Suite 440, Gaithersburg, MD 20879
Investment Advisor Representative (since 8/2007), Operations Manager

Item 3 Disciplinary Information

Not Applicable.

Item 4 Other Business Activities

Jeff Grodsky is not actively engaged in any substantial investment related businesses or occupations outside of AFC Asset Management Services, Inc. that represent more than 10 percent of Jeff Grodsky's time and income.

Item 5 Additional Compensation

Not applicable.

Item 6 Supervision

Reviews vary according to the service provided and the complexity of the client's situation. All Dynamic Asset Allocation (DAA), Investment Consulting Services (ICS), Corporate Retirement Plan Services (CRPS) and Tax-Advantaged Fixed Income Strategy (TAFIS) accounts are reviewed at least quarterly by President Barry Cliff, Vice President James Young and/or Vice President of Financial Planning Veska Kita. All officers can be reached at 301.588.5000. AFC takes a group approach to reviewing accounts and many of the accounts are reviewed on an ongoing basis. Reviews include evaluation of investments with client Investment Policy Statement information and/or account risk tolerance. If a financial plan exists, the plan will be referenced in the review process as well.

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Item 7 Requirements for State-Registered Advisers

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