

PFG | FINANCIAL ADVISORS

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FORM ADV PART 2 BROCHURE

This brochure provides information about the qualifications and business practices of PFG Financial Advisors. If you have any questions about the contents of this brochure, please contact us at 814-238-0544. 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 PFG Financial Advisors is also available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for PFG Financial Advisors is 116021.

PFG Financial Advisors 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.

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Advisory Business

PFG Financial Advisors ("PFG FA") offers investment management services and financial planning to individuals, businesses, trusts and employee benefit plans. PFG FA places the utmost priority in safeguarding its clients' best interests and places the same priority on its reputation. PFG FA personnel and Investment Advisor Representatives (IARs) are expected to conduct themselves with nothing less than honesty, integrity and professionalism. Each service is provided in a written contract between the client and PFG FA and/or the appropriate Third Party Advisor.

PFG FA was originally established as Estate Architects, a Pennsylvania Corporation established in 1978. In 2001, Estate Architects was renamed PFG Financial Advisors and registered with the Securities and Exchange Commission as a Registered Investment Advisor. PFG FA is owned and operated by Edward K. Dare, III who is also the President and Chief Executive Officer. Below is a brief biography on Mr. Dare:

Edward K. Dare, III, President and CEO - Born 1955. BBA in Management from Temple University in 1977; Chartered Financial Consultant and Certified Life Underwriter from American College. Managing Director of Pennsylvania Financial Group (PFG) 1997 through 2009; President and CEO of PFG 2009 to present. FINRA Series 6, 7, 24, 26, 63 and 65.

PFG FA, through its Investment Advisor Representatives (IAR), offers a variety of advisory services which includes:

Investment Managed Portfolios:

Elite Advisory Services (EAS)

Clients of PFG FA may participate in the EAS program. In such accounts, the Client retains PFG FA, through its IAR, to provide discretionary or non-discretionary asset management based upon the goals, objectives and risk tolerance of the Client.

The Client may choose to participate in one of two programs through EAS. FlexChoice is a customized investment program which allows the Client and/or IAR to have the flexibility to direct underlying investments within predetermined asset allocation guidelines. ProSelect is a comprehensive investment program offering a selection of asset allocation strategies. Investments in both programs may include but are not limited to: Stocks, Mutual Funds, Exchange Traded Products, American Depositary Receipts, Investment Grade Bonds, US Government Bonds, Municipal Bonds, Brokerage CDs, Closed End Funds, Exchange Traded REITs, Structured Products and Variable Annuities.

Under EAS, assets are held in a brokerage account at Pershing, LLC with Walnut Street Securities, Inc. (WSS) acting as the introducing Broker-Dealer.

Clients are required to sign the Investment Account Application and Agreement to open a brokerage account with WSS. This is in addition to the Investment Management Agreement Client signs to open an advisory account with PFG FA. There is no discretionary trading permitted in accounts which are covered by the Employee Retirement Income Security Act of 1974 ("ERISA")

Brokers Advisory Services (BAS)

Existing PFG FA clients may be participating in the BAS program; however, PFG FA is now offering the EAS program in place of the BAS program. The BAS program is an advisory investment management service account. In such accounts, the client retains PFG FA, through its Investment

Advisory Representative (IAR), to provide discretionary or non-discretionary asset management of a brokerage account established by the client at Walnut Street Securities, Inc., a registered Broker Dealer. The client will retain PFG FA and its IAR to manage certain client assets, on a discretionary or nondiscretionary basis, in such a manner based upon the goals, objectives and risk tolerances of the Client. In such relationships, the client would execute a Client Service Agreement with PFG FA and a Brokerage Account Agreement with Walnut Street Securities. There is no discretionary trading permitted in accounts which are covered by the Employee Retirement Income Security Act of 1974 ("ERISA")

Qualified Retirement Plans

PFG FA may provide advisory services to Employers or Plan Sponsors for the benefit of its Employee Retirement Plan. Services may include, but are not limited to:

- 1) Creating the Investment Policy Statement:** PFG FA will assist the Client in developing a formal, written Investment Policy Statement ("IPS") or it may review and recommend amendments to the Client relating to the existing IPS. The IPS may contain the standards and processes for selecting and monitoring Plan investments, and will set forth a number of general investment options and asset class categories to be offered to Plan participants with a goal of providing a menu of investments that will allow for the creation of well-diversified portfolios through a mix of equity and fixed income exposures.
- 2) Plan Investment Selection and Monitoring:** PFG FA will review the investment options available through the Plan and will provide recommendations to the Client to assist the Client in selecting the "core" investments to be offered to Plan participants, including the Plan's Qualified Default Investment Alternatives (QDIA) if applicable, that meet the criteria set forth in the Plan's investment policy statement ("IPS") that has been approved by the Client. Advisor will provide reports on a regular basis that are designed to assist the Client in monitoring the core investment options and will provide recommendations to assist the Client in removing and replacing investments that no longer meet the IPS criteria.
- 3) Model Portfolios:** PFG FA will advise Client with regard to the design and maintenance of five (5) risk-based Model Portfolios. Advisor will monitor the performance of the Model Portfolio and underlying investments, and recommend the replacement of any investment selection as appropriate.

Third Party Advisory Products:

SEI: Clients of PFG FA may choose to participate in an advisory management service with SEI Investments Management Corporation of Oaks, Pennsylvania. Under this program, the client will execute a Client Service Agreement with PFG FA and an Investment Application with SEI. In this application, the client will retain SEI to manage client's assets, on a discretionary basis, in an allocation model chosen based upon the goals, objectives and risk tolerances of Client. The allocation model is invested in a number of SEI proprietary mutual funds. The client may elect for quarterly, semi-annual or annual rebalancing of their account.

PFG FA, through its IAR, will assist the client in establishing the account based on the investment objectives, risk tolerance and financial status provided by the client. Based on this information, the PFG IAR will recommend a compatible asset allocation model. SEI also serves as investment adviser to the mutual funds in which the assets of the client account are invested.

Morningstar Advisors: Clients of PFG FA may choose to participate in an advisory management service program with Morningstar Investment Services of Chicago, Illinois. Under this program, Morningstar provides investment advisory services through constructing and continually monitoring portfolios. To provide these services Morningstar has discretion as to when to rebalance and/or reallocate the portfolios. Morningstar assembles portfolios by analyzing the universe of available mutual funds using its internal due diligence and rating system. PFG FA, through its IAR, may recommend the Morningstar program to the client when suitable and appropriate based on client goals, objectives and risk tolerance.

PFG FA, through its IAR, will assist the client in executing the Morningstar Program questionnaire, selecting the appropriate portfolio and determining if any restrictions need to be placed on the account. The IAR will provide this information to Morningstar before the account is opened. The PFG FA IAR will meet with the client, at least annually, to confirm any changes in client financial situation. The client is expected to inform the IAR of any immediate, significant changes to investment objectives and risk tolerance. The IAR will communicate with Morningstar any changes to client status. The IAR will be available on an ongoing basis to discuss questions the client may have regarding the Morningstar program.

Managers Funds: Clients of PFG FA may choose to participate in an advisory management service with Managers Investment Group of Connecticut. Managers Funds is retained to invest the assets, on a discretionary basis, in an asset allocation model chosen by the client consisting of Managers proprietary mutual funds. Managers Funds is compensated solely by the internal fees and expenses contained within the individual mutual funds. A complete description of those fees and expenses is disclosed in the individual prospectus of the mutual fund. Managers will allocate the client's funds in accordance with the client's selected asset allocation model. A PFG FA IAR will assist the client in choosing an asset allocation model that matches the client's stated objectives and risk tolerance. Managers will also automatically rebalance the client account if it exceeds certain thresholds prescribed by Managers to keep the market value of each mutual fund in the client account the same percentage of the total market value of the client account as required by the client's model portfolio.

PFG FA, through its IAR, will educate the client about the features, advantages and disadvantages of the Managers Program. The IAR may prepare a proposal regarding how to invest the client's investment assets that is deemed appropriate based on the analysis of the client's financial circumstances. The IAR will use the client's investment profile, any investment tools provided by Managers and the client's responses to the investment objective questionnaire. The IAR will assist the client in completing the Managers application and any other documentation required for the Manager's program.

Solicitor Services:

Under such programs PFG FA generally introduces clients to third party investment advisers that offer advisory products and services. PFG FA normally acts as a solicitor whereby a client is referred to a third party adviser who will provide all of the advisory services under the program to the client. In return for the referral, PFG FA and the IAR will receive a fee related to the assets transferred to the third party advisers. PFG FA will provide the client with the appropriate disclosure of these solicitation arrangements as required by Rule 206(4)-3 under the Investment Advisers Act 1940.

In such solicitation arrangements, the IAR will conduct an initial meeting with each potential advisory client. During this meeting, the client and the IAR discuss the client's financial situation, personal goals and objectives, and risk tolerance/investment style. The IAR may determine that the client is

suitable for one or more programs and assist the client in selecting a particular program. The IAR also assists the client in completing a client profile or similar document and, if applicable, in selecting one or more outside investment manager to manage designated assets. The terms of the client's relationship with the investment manager and the IAR will vary depending on which investment manager's program is chosen. Depending on the program selected, the IAR may perform one or more of the following services:

- Assist in the selection of funds and/or models

- Periodically review the client's account

- Relay changes in the client's financial circumstances and objectives to the third party investment manager

- Advice regarding the client's portfolio

PFG FA currently has solicitor arrangements with: Aris Corporation of America, Brinker Capital, Curian Capital, Genworth Financial and ThomasPartners Investment Management, Inc.

Financial Planning: PFG FA IARs can provide comprehensive, individualized financial planning services to clients, either on an hourly or fixed fee basis. The Financial Plan may be for a portion of the overall financial needs of the client or a completed comprehensive plan of the client's entire needs which may include analysis of investable assets, college planning, retirement planning as well as insurance needs. Analysis is based on the goals of the Client which is gathered in meetings with the IAR.

All advisory services are required to be tailored to the individual need of the Client. IARs will determine and gather necessary data during client meetings. Such data may include: client's current financial situation, client's personal goals and objectives, tolerance for risk and investment style of the client. This information can be gathered in various forms, including conversations between the Client and IAR, and/or the Client completing questionnaires to assess tolerance of investment risk, or other questionnaires when appropriate.

Clients may impose restrictions on specific securities or types of securities. IARs will honor this restriction by documenting the file. Clients should communicate the request for restriction to the IAR.

PFG FA does not participate in a wrap fee program.

As of December 31st, 2010, PFG FA manages \$420,572,371.00 on a discretionary basis; while, \$356,115,556.00 is managed on a non-discretionary basis.

Fees and Compensation

PFG FA and its IARs may be compensated for its advisory services. Fees are negotiable and decided in advance of the services provided in an Agreement between PFG FA, the IAR and the Client. Appropriate fee schedules are listed below:

EAS Program:

Maximum fee allowed to be charged is 2.5%.

The fees may be billed in one of 3 ways:

- 1) **Flat Fee.** Fee charged is a mutually agreed upon percentage based on the total amount of assets held in the Account.
- 2) **Tiered/Blended Fee.** The agreed upon fee percentages are applied to each asset level listed below. For example, if the account size is \$200,000 and the percentage fee to be charged for the First \$100,000 is 1.5% and the Next \$150,000 is 1.3%; The fee for the first \$100,000 will be 1.5% and the remaining \$100,000 will be charged 1.3%.

Account Size

First \$100,000
Next \$150,000
Next \$250,000
Next \$250,000
Next \$250,000
Next \$500,000
Amounts over \$1.5 million

- 3) **Linear/Retroactive Fee.** The agreed upon fee percentages are listed in the tiered fee schedule below. The fee percentage applied to the account will be based on the total amount of assets in the account. For example, if the account size is \$200,000 and the \$0 – \$100,000 tier has a 1.5% fee and the \$100,001 - \$250,000 tier fee has a 1.3% fee. The fee charged will be 1.3% of \$200,000.

Account Size

\$0 - \$100,000
\$100,001 - \$250,000
\$250,001 - \$500,000
\$500,001 - \$750,000
\$750,001 - \$1,000,000
\$1,000,001 - 1,500,000
Over \$1,500,000

BAS Program:

The maximum fee that can be charged for the BAS program is 2.25%. Fees can be charged based on a Flat Fee, or based on the following asset levels:

First \$100,000
Next \$150,000
Next \$250,000
Remainder

Qualified Retirement Plans:

Maximum fee allowed to be charged is 2.5%.

The Fee may be paid from Plan Assets or paid by Employer (Client.) The Fee may be assessed in one of the following ways:

- 1) **Flat Fee.** Fee charged is a mutually agreed upon percentage based on the total amount of assets held in the Account.
- 2) **Tiered/Blended Fee.** The agreed upon fee percentages are applied to each asset level listed below. For example, if the account size is \$2,000,000 and the percentage fee to be charged for the First \$1,000,000 is 1.5% and the Next \$1,000,000 is 1.3%; the fee for the first \$100,000 will be 1.5% and the remaining \$100,000 will be charged 1.3%.

Account Size

First \$1 Million
Next \$2 Million
Next \$2 Million
Next \$5 Million
Over \$10 Million

- 3) **Linear/Retroactive Fee.** The agreed upon fee percentages are listed in the tiered fee schedule below. The fee percentage applied to the account will be based on the total amount of assets in the account. For example, if the account size is \$2,000,000 and the \$0 – \$1,000,000 tier has a 1.5% fee and the \$1,000,001 - \$3,000,000 tier fee is 1.3%. The fee charged will be 1.3% of \$2,000,000.

Account Size

\$0 – 1,000,000
\$1,000,001 – 3,000,000
\$3,000,001 – 5,000,000
\$5,000,001 – 10,000,000
Over \$10M

SEI:

The maximum fee permitted to be charged is 2.25%. The fee is calculated based on upon the assets held in the account and may be billed in one of three ways,. Flat fee (as described above), negotiated Tiered/Blended fee (as described above) or negotiated tiered/blended fee schedule with Optional Discount which is negotiated between the IAR, Client and SEI.

Morningstar Advisors:

The maximum fees permitted to be charged for this program are as follows, based on assets under management:

<u>Account Size</u>	<u>Fee %</u>
First \$500,000	1.5
Next \$500,000	1.4
Next \$1,000,000	1.3
Over \$2,000,000	1.1

Managers Funds:

The maximum fee permitted to be charged for this program is 2.0%.

Solicitor Services

Annual fees for such third party programs generally range from .0% to 3%. For information, please see the separate disclosure brochure provided by the appropriate third party investment adviser.

Financial Planning

Fees charged on an hourly basis range from \$70/ hour for certain clerical employees and associates to \$300/ hour for senior financial planners. Because each fee is negotiated with each Client, PFG FA may charge a lower fee than that stated above for certain engagements. Fees charged on a fixed or "flat fee," basis are calculated based on the complexity of the financial plan; the amount of time needed to perform the services; and any attendant expenses incurred by PFG FA in the provision of these services.

PFG FA deducts fees from clients' assets and/or bills clients for fees incurred as described below, based on the platform selected by the IAR and Client.

EAS and BAS

Fees are billed at the beginning of each quarter based on the fair market value of assets in the Account on the last day of the previous quarter. The Client instructs that the Fee and other charges which may apply, which is addressed in another section of this document, be deducted by Pershing (the Custodian) from cash assets held in the account. Therefore, Client should maintain at least 1% of the portfolio in the cash asset class to pay for fees. If the Account does not have enough cash to pay for advisory and/or brokerage fees and charges, PFG FA instructs WSS and/or Pershing to sell any Account assets WSS and/or Pershing deems appropriate to make such cash available even if Client did not grant Discretionary Trading Authority in the Investment Management Agreement. In such cases, Client may face a taxable event, to which capital gains (or other) taxes apply.

Qualified Retirement Plans

Fees are billed quarterly, and may be billed either in advance of the completed quarter or after the completed quarter, depending on the Agreement with the Plan's recordkeeper or custodian of the Plan's assets.

The Fee for the initial quarter or for any partial quarter shall be calculated on a pro rata basis commencing on the day the assets are initially designated for management under the Agreement. Client may authorize the Plan's recordkeeper (or other custodian of the Plan's assets) to remit the Fees directly to PFG FA from Plan assets in accordance with the agreement with the recordkeeper or

custodian, as the case may be. Notwithstanding the Plan's obligation to pay Fees, Client may elect within its sole discretion to pay any or all Fees to PFG FA in lieu of payment by the Plan; provided that any Fees remaining unpaid after thirty (30) days from the date of invoice shall be due and payable immediately by the Plan.

SEI

Fees are billed quarterly based on the fair market value of the assets in the account on the last day of the most recently completed quarter. SEI platform fees, which are a portion of the Advisory Fees retained by SEI for asset management, may not be directly billed to the Client and are deducted from the assets of the Account. The fees retained by PFG FA may be deducted from the assets of the Account or billed directly to the Client by PFG FA.

Morningstar Advisors

Fees are billed quarterly based on the fair market value of the assets in the Account on the last day of the most recently completed quarter. Fees must be deducted directly from the Client's Account.

Managers Funds

Fees are billed quarterly based on the fair market value of the assets in the account on the last day of the most recently completed quarter. Fees are deducted directly from the assets held in the Account. For IRA accounts only, Client has the option to direct fee payment directly from an account held at Client's banking institution.

Solicitor Services:

Aris Wealth Services: Fees are billed quarterly at the beginning of each quarter; Fee is based on the fair market value of the assets held in the Account on the last day of the most recently completed quarter. Fees are deducted directly from the assets held in the Account.

Brinker Capital: Fees are billed quarterly at the beginning of each quarter; Fee is based on the fair market value of the assets held in the Account on the last day of the most recently completed quarter. Fees are deducted directly from the assets held in the Account.

Curian Capital: Fees are billed monthly; Fees are based on the average value of the assets in the Account of the most recently completed month. Fees are deducted directly from the assets held in the Client's Account.

Genworth Financial: Depending on the program chosen by Client, fees are billed monthly or quarterly in advance at the beginning of the month or quarter; Fees are based on the average weighted value of the assets in the Account for the most recently completed month or quarter. Fees are deducted directly from the assets held in the Account. For IRA accounts only, Client has the option to direct fee payment directly from an account held at Client's banking institution.

ThomasPartners, Inc.: Fees are billed quarterly at the beginning of each quarter; Fee is based on the fair market value of the assets held in the Account on the last day of the most recently completed quarter. Fees are deducted directly from the assets held in the Account.

Financial Planning

Fees are billed to the Client based either on a one-time fee transaction or on payment installments. Payment arrangements are negotiated in advance and agreed upon at the time of contract signing. All payments shall be made by check and must be made payable to "PFG Financial Advisors."

Fees and expenses that clients may pay in connection with PFG FA advisory services, such as custodian fees or mutual fund expenses are described below.

EAS and BAS

The fees charged by PFG FA are in addition to any brokerage or other charges imposed by Walnut Street Securities (WSS) for qualified plan custody arrangements, qualified plan termination charges, legal transfer charges and any brokerage ticket charges for client transactions.

Depending on the Client's Investment Management Agreement, Client may also be charged Transaction Fees. Some transaction charges are listed below:

<u>Transaction</u>	<u>\$ Fee</u>
Stocks – OTC	\$18.00
Stocks - Listed	\$18.00
Bonds	\$20.00
UITs	\$25.00
CD's	\$20.00
Load Mutual Fund Purchases/Redemptions	\$15.00
No Load Mutual Fund Purchases/Redemptions	\$15.00
Mutual Fund Exchanges	\$ 4.00
Mutual Fund PIP/SWP	\$ 0.00
MF Purchase greater than \$10,000	\$ 0.00
Trade Confirmation	\$ 3.50

Additional Client Fees

Other than the transaction charges noted above, all normal WSS brokerage account charges and fees (i.e. returned check fee, overnight charges, ACH return check fee, etc) apply to EAS and BAS Accounts. These charges and fees are disclosed in the Client Fee Schedule for brokerage accounts. In addition, WSS will mail a new schedule prior to any changes becoming effective.

Mutual Fund and ETP Fees

The Fee does not include special requests by clients or the internal management, operating or distribution fees or expenses imposed or incurred by Mutual Funds or ETPs. Clients should read each fund's or ETPs prospectus for a more complete explanation of these fees and expenses, which include fees for management, administration, shareholder servicing, distribution, transfer agent, custodial, legal, audit and other services.

Clients may invest directly in mutual funds or ETPs (i.e., outside of EAS and BAS) without paying the advisory fee. Thus, it may be cheaper for clients to invest in the Mutual Funds and ETPs outside of EAS and BAS. However, clients will not receive the services provided under EAS if they choose to do so. PFG FA does not represent that the Fee a client pays is the same as or lower than that charged to other clients who invest in EAS or is the same as or lower than that charged by other sponsors of comparable programs for accounts of comparable size or investment objectives.

Qualified Retirement Plan

Additional fees or expenses may be incurred. It is agreed upon in writing that Client acknowledges that, in connection with the performance of the services provided, PFG FA or its affiliates may from time to time receive fees from mutual funds or their distributors, which are offered as investment options under the Plan. These fees consist of 12b-1 fees, sub-transfer agency fees and/or other similar fees ("third party payments"). Any third party payments received by PFG FA shall be used to

reduce PFG FA's fee for the services provided or shall be remitted to the Plan. Also, the Client acknowledges in the Agreement that if any third party payments are remitted to the Plan, Client shall be solely responsible for making the determination of how to allocate or apply such amounts.

SEI

SEI is compensated through the internal management fees and expenses of the individual mutual funds which are disclosed on the prospectus for each fund. SEI may also be compensated if client funds are placed with an SEI private money manger; if this is the case, the fees are disclosed to client on the quarterly billing statement.

MorningStar Advisors:

Program fees, expressed as a percentage of assets under management are negotiated with the Client in advance. Of the total fee charged, the maximum amount of 0.4 % is retained by Morningstar and the remainder is paid to PFG FA.

Managers Funds:

Managers Funds is compensated through the internal management fees and expenses of the individual mutual funds which are disclosed on the prospectus for each fund.

Solicitor Services:

Annual fees for such third party programs generally range from .0% to 3%. For information, please see the separate disclosure brochure provided by the third party investment adviser.

Financial Planning:

No additional fees shall be charged or assessed for Financial Planning.

Under some programs, clients pay advisory fees in advance. In these situations, a refund of pre-paid fees is calculated if the advisory contract is terminated before the end of the billing period. An explanation for each program is provided below:

EAS

The first payment is prorated to cover the period from the date that the Account balance has reached \$5,000 through the end of the current calendar quarter. Fees are debited directly from the client's account based on the fee schedule and begin once the account balance has reached \$5,000.

Thereafter, the quarterly fee will be paid at the beginning of each calendar quarter for such quarter and the fee will be based on the fair market value of the assets in the Account on the last business day of the preceding calendar quarter as calculated by Pershing. Client will also be subject to a Platform Fee for any additional lump sum contribution(s) in a calendar quarter equal to or greater than \$5,000. Client will pay for that portion of the ongoing quarterly fee that relates to the number of days remaining in the calendar quarter on the date of any additional contribution equal to or greater than \$5,000. Payment of the fee will be made in the quarter following any such contribution and will be based on the amount of the contribution. Similarly, if Client withdraws \$5,000 or greater, then the Client will receive a pro-rated refund in the following quarter.

On termination, PFG FA shall no longer have an investment advisory relationship with Client and will have no further obligation towards client for investment advisory services. Client will receive a refund of a pro-rate portion of any pre-paid, but unearned Platform Fee paid for the current quarter. The amount refunded to Client will be based on the number of days remaining in the quarter after the date of termination. However, a portion of the fee may be retained in Client's account sufficient to effect any open and unsettled transactions and to pay for any unpaid Fees, account debit balances, and

other charges owed by the client. Client is responsible to pay for services rendered, and for transactions effected, up until the date of termination.

BAS

Fees are assessed against client accounts quarterly, in advance, as a percentage of the asset value of the account at the end of the preceding calendar quarter. Each quarter is separately calculated on the number of calendar days contained within that particular quarter. Fees are only imposed for the number of actual days that assets were held in the account. If a client terminates the services of PFG FA pursuant to the terms of the Client Service Agreement, a prorated refund of the unearned fee for that quarter will be reimbursed to the Client based on the days within the quarter that services were provided.

Qualified Retirement Plan

The Fees shall be a percentage of the market value of the assets under management and shall be prorated and paid quarterly, in advance, based upon the market value of the assets on the last day of the previous quarter as valued by the custodian or recordkeeper. The Fees for the initial quarter shall be calculated on a pro rata basis commencing on the day the assets are initially designated to Advisor under this Agreement.

If the Agreement is terminated prior to the end of a quarter, PFG FA shall reimburse Client or the Plan (as the case may be) for the amount of any unearned fees for that quarter. No increase in the Fees shall be effective without prior written notification to Client.

Third Party Advisor Services:

Aris Wealth Services; Brinker Capital; Genworth; Thomas Partners: All charge fees in advance. For specific information on reimbursement, please see the separate disclosure brochure provided by the third party investment advisor.

Financial Planning

If fees are being charged on an hourly basis, the Client may terminate the contract at any time and not be responsible for incurring further hourly charges. If the fees are based on a fixed or flat fee basis, the client shall be responsible for only the proportionate share of the fees as it compares to the percentage of completion of the services.

PFG FA may accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds, as listed below:

BAS

The value of the Client's account will be affected by fees and expenses charged by the management of mutual funds in which the clients assets are invested. Such fees and expenses are discussed and disclosed within the individual prospectus of each such mutual fund.

Clients investing assets in PFG FA's BAS program, may be invested in certain mutual funds which will pay 12(b)(1) fees which are management and service fees. These fees are paid to the IAR in addition to the investment advisory fee that is charged. 12(b)(1) fees are not paid to the IAR if the account is a Qualified Plan and falls under the definition of ERISA. In these situations, the fees are refunded to the client's account.

IARs are held to a fiduciary standard and in all circumstances are required to put their Client's

interest before their own interest. In upholding this standard, any potential conflict should be minimized by the IAR recommending a no-load fund when deemed most appropriate for Client. IARs are directed to discuss with Client the chosen fund and expenses with Client in advance of the investment.

Financial Planning

Under PFG FA's Financial Planning program, it is possible that a recommendation on an investment product may be purchased through a broker or agent that is not affiliated with PFG FA.

PFG does not receive more than 50% of its revenue from advisory clients from commissions and other compensation for the sale of investment products recommended to clients.

PFG does not charge advisory fees in addition to commissions or markups.

Performance-Based Fees and Side-By-Side Management

PFG FA does not accept or charge fees based on performance.

Types of Clients

Over 75% of PFG FAs client base consists of individuals. Approximately less than 10 % of PFG FA clients are defined as high net worth individuals. In addition to individuals, PFG FAs clients might consist of Pension or Profit Sharing Plans, Charitable Organizations or Corporations.

The EAS program has a suggested minimum account requirement of \$25,000. However, the requirement may be waived upon approval from PFG FA management.

PFG FA imposes no other minimum account requirements; There may be situations where a Third Party Advisor may impose a minimum balance requirement. In these situations, PFG FA will enforce those minimum standards. The minimum requirements can be found by referring to the appropriate Third Party Advisor's ADV Part II brochure.

Methods of Analysis, Investment Strategies and Risk of Loss

PFG FA utilizes the following methods of analysis and investment strategies in formulating investment advice and/or managing assets.

Asset Allocation. Portfolios are diversified among various asset classes and/or securities to spread the risk of investing in any particular security and/or industry. A neutral asset allocation is established based on an evaluation of the historical long-term risk and return relationships of various asset classes and what is considered to be realistic and reasonable expectations. Then, asset classes are over- or under-weighted based on the stage of the current market cycle, long-term trends, secular factors and current over- and under-valuation of various asset classes. Periodically, assets are bought or sold in portfolios to maintain the desired overall asset allocation

Fundamental Analysis. Securities are evaluated by examining their economic, financial, qualitative and quantitative factors. Qualitative analysis involves focusing on subjective factors such as management expertise while quantitative analysis involves using mathematical and statistical modeling. The goal of using fundamental analysis is to measure the intrinsic or actual value of the

company. Then, the security's intrinsic value is compared with the security's current market price to determine whether the security should be bought or sold.

Technical Analysis. Securities are evaluated by analyzing market statistics such as volume and historical prices. It is based on the belief that the historical statistics are indications of future price moves of the securities.

Investments Involve Risk of Loss. There is no guarantee that a portfolio will not lose value over any time period. Account values will increase or decrease based on market valuation. Clients must be willing and able to withstand losses.

Under the EAS program, investment strategies and analysis are conducted by PFG FA's Investment Committee which consists of the following members:

Michael Christopher Assad, Client Account Analyst - Born 1976. BA in Public Relations from University of Pittsburgh at Bradford in 1999. Ameriprise Financial, Financial Advisor, Allentown, PA 2005 - 2007, Client Account Analyst, Marmaras and Smith, Allentown, PA, 2007 - Present. FINRA Series 7, 66.

John Frederick Straub, Senior Portfolio Analyst - Born 1973. BS in Economics and Mathematics from Saint Vincent College in 1995; MS in Financial Management and Analysis from Carnegie Mellon University in 1997; Senior Investment Analyst, Aris Wealth Services, State College, PA 1998 - 2008; Senior Portfolio Analyst, PFG FA, State College, PA 2008 - Present. FINRA Series 7, 65

Hillary A. Sunderland, Chief Investment Officer - Born 1983. BA in Economics from Bucknell University; Portfolio Manager, Aris Corporation of America, State College, PA 2005 - 2010; Chief Investment Officer of PFG FA, 2010 - Present. FINRA Series 7, 65; Holds Chartered Financial Analyst Designation from CFA Institute.

For each investment strategy utilized by PFG FA, there are material risks involved. Listed below are details of those risks.

Asset Allocation. There is no guarantee that diversifying among various asset classes and/or securities will reduce the overall risk of the portfolio.

Fundamental Analysis. There is no guarantee that the measurement of intrinsic value is accurate and will be realized in the future

Technical Analysis. There is no guarantee that historical trends and other technical relationships will be repeated in the future

PFG FA does not primarily recommend a particular type of security.

Disciplinary Information

PFG FA has not had a criminal or civil action in a domestic, foreign or military court of competent jurisdiction where PFG FA was convicted of, or pled guilty or nolo contendere ("no contest") to any felony, a misdemeanor that involved investments or an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or a conspiracy to commit any of these offenses.

PFG FA is not the named subject of a pending criminal proceeding that involves an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses.

PFG FA has not been involved in any violations of an investment-related statute or regulation. PFG FA is not the subject of any order, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, PFG FA from engaging in any investment-related activity, or from violating any investment-related statute, rule, or order.

PFG FA has not had an administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority in which PFG FA was found to have caused an investment-related business to lose its authorization to do business.

PFG FA has not been found to have been involved in a violation of an investment-related statute or regulation or was and is not the subject of an order by the agency or authority denying, suspending, or revoking the authorization of PFG FA to act in an investment-related business.

PFG FA has not been found to have been involved in a violation of an investment-related statute or regulation or was and is not the subject of an order by the agency or authority barring or suspending PFG FA or its management person's association with an investment-related business.

PFG FA has not been found to have been involved in a violation of an investment-related statute or regulation or was and is not the subject of an order by the agency or authority significantly limiting PFG FA's or its management person's investment-related activities

PFG FA has not had an administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority imposing a civil money penalty of more than \$2,500.

PFG FA has not been found to have caused an investment-related business to lose its authorization to do business by a self-regulatory organization (SRO) proceeding.

PFG FA has not been found to have been involved in a violation of the SRO's rules and has not been (i) barred or suspended from membership or from association with other members, or has not been expelled from membership; (ii) or otherwise significantly limited from investment-related activities; or (iii) has not been fined more than \$2,500.

Other Financial Industry Activities and Affiliations

PFG FA management persons are also dually registered with Broker Dealer, Walnut Street Securities, Inc. (WSS).

PFG FA, or any associated person, is not registered, nor has an application pending, to register as a futures commission merchant, commodity pool operator or a commodity trading advisor.

In addition to PFG FA management being dually registered with WSS. PFG FA's IARs are also dually registered with WSS as a Broker Dealer.

PFG FA and its IARs may perform advisory services for various clients, and the IAR may give advice or take actions for other clients that differs from the advice given, or the timing, or the nature of any action taken for the Account. In addition, the IAR may, but is not obligated to, purchase or sell or recommend for purchase or sale any security which the IAR may purchase or sell for their own

accounts or the account of any other client.

A Client's IAR receives compensation as a result of the Client's participation in an advisory program. This compensation may be more than what the IAR would receive if the client participated in other programs made available by PFG FA or WSS or paid separately for investment advice, brokerage, and other services. Therefore, the IAR may have a financial incentive to recommend one advisory program over other advisory programs or services offered to clients.

WSS is registered as both an investment adviser and a broker dealer. In its role as a broker-dealer, WSS focuses on a select group of mutual funds. WSS may receive certain compensation from these mutual fund families. More information is provided in the Investment Account Application and Agreement Clients receive and sign to open brokerage account with WSS.

Client understands that PFG FA compensates WSS for providing certain administrative services and oversight functions and reimburses WSS for expenses that it incurs on PFG FA's behalf for certain services provided by Pershing for PFG FA. Therefore, the IAR may have an incentive to increase the advisory fee to help offset these costs.

Aris Corporation of America is a registered investment advisor in which some PFG FA IARs may own stock/shares of Aris Corporation of America. PFG FA requires each IAR to uphold its fiduciary duty per its Compliance Manual, placing Client's interest before his/her own. In addition, IARs are required to disclose to potential Aris clients his/her interest Aris if/when the client chooses to invest with Aris.

Additionally, some IARs may be dually registered with other State or SEC registered investment advisors as permitted by state law. In these instances, the IAR registration will be properly disclosed on IAR's stationery and will be disclosed to client.

Ed Dare is the owner of Managing General Agents, Inc. d/b/a Pennsylvania Financial Group, an insurance General Agency that markets traditional life insurance, health insurance, disability and long term care insurance as well as annuities. Many of PFG FA IAR's solicit and service fixed and non-variable insurance products through this general agency.

PFG FA may act as a Solicitor and recommend a third party advisory program. For each advisory program offered, each Advisor's Form ADV Part II or disclosure brochure, outlines each third party's program, services and fee structures. A disclosure brochure (if any), and/or the Form ADV Part II, is provided to the client by PFG FA through its IARs, when applicable.

Because PFG FA or the IAR will receive fees from the third party investment advisers for client referrals, the IAR may have incentive to recommend one third party investment adviser over another where the IAR or PFG FA has a more favorable compensation agreement.

Conflicts are addressed in PFG FA's Compliance Manual. All IARs are required to place the client's interest before his/her own interest.

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

PFG FA established a Code of Ethics (Code) in January 2005. The Code emphasizes PFG FA's commitment to the highest standard of ethics it holds for its personnel and investment advisor

representatives. The Code requires all supervised and access persons (those persons with access to private client information) to comply with all federal regulations and uphold all fiduciary duties. All access persons, as defined by the Code, must report all covered securities transactions and holdings to PFG FA. Access persons must obtain approval before investing in an IPO (Initial Public Offering) or private placement. All Code violations must be reported to the Chief Compliance Officer. The Code and Amendments will be provided to each supervised and access person with written acknowledgment of receipt. The Code will be provided to any client or prospective client upon request.

PFG FA or any related person, does not recommend to clients, nor buy or sell for client accounts, securities in which PFG FA or a related person has a material financial interest.

It is the policy of PFG FA that no IAR may purchase or sell any security prior to a transaction being implemented for a Client. No IAR may buy or sell any security where the decision was made in whole or in part upon non-public information. All personal securities transactions or associated persons are monitored by the management of PFG FA.

Brokerage Practices

PFG FA does not receive research or other products or services other than execution from a broker dealer or a third party in connection with client securities transactions.

PFG FA does not consider, in selecting or recommending broker-dealers, whether PFG FA or a related person receives client referrals from a broker-dealer or third party.

PFG FA does not routinely recommend, request or require that a client direct PFG FA to execute transactions through a specified broker-dealer.

PFG FA may, from time to time, aggregate the purchase or sale of securities for various client accounts. Orders may be aggregated when at least two clients desire to purchase or sell the same security at the same time. If an order is not aggregated, the sale or purchase will be placed as an individual trade. For further details, see EAS/BAS Fees and Compensation section.

Review of Accounts

The principal review of each new account is conducted by PFG FA, reviews may be conducted by any of the following PFG FA Principals:

John C. Corso, Director of Compliance and Recruiting Southeast Division – Born 1977. BA in History from the University of South Florida, 2000. Certificate in Financial Planning, Kaplan University, 2010. 2001 – 2004, Pharmaceutical/Medical Sales; 2004 – 2008 Tampa Financial Group, Inc., Financial Advisor, 2008 – Present, Arntzen Corso Advisors, Inc., Financial Advisor; 2009 – Present, PFG, Director of Compliance and Recruiting Southeast Division. FINRA Series 7, 66 and 24

John J. Davis, Director of New Business and Licensing - Born 1946. BA in History from University of Buffalo in 1968; Graduate work, Millersville State University, Shippensburg University. Director of New Business and Licensing of PFG; Employed with PFG since 1978. FINRA Series 7, 24 and 66.

Kimberli J. Fleck, Chief Compliance Officer and Senior Vice President - Born 1972. BA in Political Science from the Pennsylvania State University; JD from Widener University School of Law in 1997; Admitted to Pennsylvania Bar. Managing Attorney, AHC, Manassas, VA 1997 - 2004. Chief Compliance Officer of PFG FA, 2004 - present. FINRA Series 4, 7, 24, 53 and 66.

David A. Van Buskirk, Treasurer and Chief Financial Officer - Born 1954. BS in Business Administration from University of Denver in 1980; Enrolled Agent with the IRS. Director of Finance with PFG since 2001. FINRA Series 7, 24 and 66.

Reviews compare the goals and objectives of each client against the current portfolio holdings. PFG FA IARs are required to meet with Client to review his/her current status in conjunction with their account(s) on a minimum of an annual basis.

Additional account reviews may be triggered by actions of the IAR. If the IAR is placed on Enhanced Supervision, his/her accounts may be reviewed more frequently. EAS and BAS accounts are reviewed periodically to ensure adherence to the asset allocation parameters based on the Client's tolerance for risk.

Accounts will also be reviewed upon the occurrence of a significant event such as a change in personal circumstances of the client such as retirement, marriage, children, job loss, etc. or in the event of any extraordinary events that may affect overall market conditions such as war, depression or recession.

PFG FA does not generate any performance reports. The chosen custodian or appropriate third party advisor provides reports directly to Client on at least a quarterly basis.

Client Referrals and Other Compensation

PFG FA does not accept an economic benefit for providing investment advice or other advisory services to clients from someone who is not a client.

PFG FA may pay referral fees to financial intermediaries and/or individuals who refer their clients to PFG FA, in accordance with Rule 206(4)-3 under the Advisers Act. Clients will be provided with appropriate disclosure per Advisers Act.

Custody

PFG FA does not have custody of client accounts. All accounts are held at a qualified custodian which distributes statements to the clients no less than quarterly. Clients should review statements for accuracy and notify PFG FA and/or its IAR of any discrepancy immediately.

Investment Discretion

PFG FA, through its IAR, may have discretionary authority over certain Client Accounts to determine the securities to be bought or sold and the amounts of the securities to be bought or sold for its Managed Portfolio Account Clients. Such authority must be agreed to in writing by the Client and is limited to decisions PFG FA considers appropriate for the Client in accordance with the client's stated investment objectives, goals and risk tolerance levels. PFG FA does not permit discretion in ERISA accounts. All transactions for PFG FA's advisory service will be effected by WSS through its clearing broker, Pershing LLC. Neither WSS nor Pershing LLC has discretion over client accounts.

Clients that select discretionary accounts have the opportunity to impose reasonable investment restrictions applicable to Client's assets. Investment restrictions must be reasonable, as solely determined by PFG FA, and must be complete and consistent with applicable law. PFG FA will observe the investment restrictions that the Client provides, if deemed reasonable; provided that PFG

FA reserves the right to seek further direction from the Client before any such investment restrictions are observed.

For Clients who DO NOT wish to authorize discretionary authority to PFG FA, all transactions for PFG FA's advisory services will be effected on a non-discretionary basis. Neither PFG FA, WSS, nor Pershing LLC has discretion over client accounts.

Voting Client Securities

PFG does not accept authority to vote client securities.

Client is responsible for voting his/her own proxies, consents, waivers and other documents regarding corporate actions, with respect to any securities held in Client's Account. PFG FA, WSS and Pershing, shall have no responsibility to vote proxies nor will provide advice in voting proxies.

Client will receive their proxies or any other solicitations directly from their custodian or transfer agent.

Financial Information

PFG FA does not solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.

PFG FA has no material financial conditions that would affect client contractual obligations.

PFG FA has not been the subject of a bankruptcy petition during the past ten years.