

Ambassador Advisors, LLC

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FORM ADV PART 2 BROCHURE

This brochure provides information about the qualifications and business practices of Ambassador Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at telephone number 717.560.8300. 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 Ambassador Advisors, LLC is also available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for Ambassador Advisors, LLC is 116978.

Ambassador Advisors, LLC 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

Form ADV Part 2A, Item 4

Description of Services and Fees

Ambassador Advisors, LLC is a registered investment adviser based in Lancaster, Pennsylvania. We are organized as a limited liability company under the laws of the Commonwealth of Pennsylvania. We have been providing investment advisory services since 2002. Robert Kauffman, Adrian Young and Bernard Bostwick are our principal owners. Currently, we offer the following investment advisory services, which are personalized to each individual client:

- Portfolio Management Services
- Advisory Consulting Services
- Selection of Other Advisors
- Pension Consulting Services

The following paragraphs describe our services and fees. Please refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. As used in this brochure, the words “we”, “our” and “us” refer to Ambassador Advisors, LLC and the words “you”, “your” and “client” refer to you as either a client or prospective client of our firm. Also, you may see the term Associated Person throughout this Brochure. As used in this Brochure, our Associated Persons are our firm’s officers, employees, and all individuals providing investment advice on behalf of our firm.

Portfolio Management Services

Ambassador Advisors, LLC provides portfolio management services primarily to individuals or non-profit organizations that are tailored to meet the needs and investment objectives of the client. We offer discretionary portfolio management services. Subject to any written guidelines, which you may provide, we will be granted discretion and authority to manage your account. Accordingly, our firm is authorized to perform various functions, at your expense, without further approval from you. Such functions include the determination of securities to be purchased or sold, the amount of securities to be purchased or sold, the broker/dealer to be used, and the commission rates to be paid. We primarily recommend investment company securities (Mutual Funds), Individual Securities, and Exchange Traded Funds (ETFs). Once the portfolio is constructed, we provide continuous supervision and re-optimization of the portfolio as changes in market conditions and your circumstances may require. You may limit our discretionary authority (for example, limiting the types of securities that can be purchased for your account) by providing our firm with your restrictions and guidelines in writing. If you enter into non-discretionary arrangements with our firm, we must obtain your approval prior to executing any transactions on behalf of your account.

For all accounts the annual fee for portfolio management services is billed monthly in arrears based on the market value of the assets on the last day of the preceding month. Fees will be assessed pro rata in the event the portfolio management agreement is executed at any time other than the first day of the applicable billing period. On an annualized basis, our fees for portfolio management services, subject to negotiation, are based on the following tiered fee schedule:

Assets Under Management	Annualized Fee*
First \$250,000	1.75%
Next \$750,000	1.50%
Next \$2,000,000	1.25%
Thereafter	1.00%

* For accounts held in custody by U.S. Bancorp, there will be a minimum annual fee of \$1,000.

In our sole discretion, we may allow accounts of members of the same household and multiple accounts of a charity and its board members to be aggregated for purposes of determining the advisory fee. We may allow such aggregation, for example, where we service accounts on behalf of minor children of current clients,

individual and joint accounts for a spouse, and other types of related accounts. This consolidation practice is designed to allow client(s) the benefit of an increased asset total, which could potentially allow the account(s) to be assessed a reduced advisory fee based on the breakpoints available in the firm's fee schedule as stated above.

We will send you an invoice for the payment of our advisory fee, or we will deduct our fee directly from your account through the qualified custodian holding your funds and securities. We will deduct our advisory fee only when you have given our firm written authorization permitting the fees to be paid directly from your account. Further, the qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account. You should review all statements for accuracy. We will also receive a duplicate copy of your account statements.

The fees charged are calculated as described above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds, or any portion of the funds of an advisory client (15 U.S.C. §80b-5(a)(1)).

Either party, upon written notice to the other, may terminate the management agreement. The management fee will be pro-rated for the month in which the cancellation notice was given and fees will be due and payable by the client. If a client is dissatisfied for any reason during the first 6 months from the inception of advisory relationship, the firm will refund all fees.

Consulting Services

Some clients may only require advice on various aspects of the management of their financial resources. For these clients, we offer general consulting services that address those specific areas of concern. These areas may include, but are not limited to, investment allocations, estate planning, charitable advice, advice on existing or potential investment products, tax planning, life and disability insurance planning, debt structure and/or financial decision making/negotiation.

For clients who request specific consulting related services the final fee, subject to negotiation, is directly dependent upon the facts and circumstances of the client's financial situation and the complexity of the financial service(s) requested. On an annualized basis, our fees for consulting services, subject to negotiation, are based on the following tiered fee schedule:

<u>Assets</u>	<u>Annual Advisory Fee</u>
First \$750,000	0.50% of Net Worth
Thereafter	0.25% of Net Worth

Either party may terminate the agreement by providing written notice to the other party. If a client is dissatisfied for any reason, the firm will refund one half of all fees paid in the last 6 months.

Pension Consulting Services

Our firm, or its affiliates, may provide pension consulting services to employee benefit plans, the plan sponsors and fiduciaries (collectively, the "Sponsor") based upon an analysis of the needs of the plan. In general, these services may include an existing plan review, formation of an investment policy statement, assisting the Sponsor in fund selection and investment options, investment performance monitoring, risk management education, and/or ongoing consulting. Additionally, we will offer the Sponsor assistance in setting up a relationship with a third party administrator and processing enrollment forms. We may also offer communication and education services to provide meaningful information regarding the retirement plan to its Participants. Information provided to participants in the educational seminars will be limited to general, impersonal advice.

Pension Consulting services will be provided pursuant to the agreement entered into and within the parameters set forth in the plan documents. Where the Sponsor engages our firm to provide advice to participants on an individual basis, such advice will be limited to general retirement planning issues, and fund selection and asset allocation of plan assets.

Plan Participants who wish to engage our firm for individualized financial planning or consulting services outside the scope of the qualified plan may do so by executing a separate agreement, including separate fees and fee payment arrangements, with our firm.

The scope of these services, the fees, and the terms of the agreement for these services will be negotiated on a case-by-case basis with each Sponsor. We may be compensated based on an hourly fee, a flat fee, a fee based on percentage of assets, or a combination of fee arrangements based on the complexity of the plan and the agreement with the Sponsor. In any case, we will not have access to plan funds for payment of fees without written consent. The terms regarding payment of fees, termination, and refunds will be clearly set forth in the agreement executed between our firm and the Sponsor. We will not receive additional compensation beyond the consulting fees for our pension consulting services.

All accounts are regulated under ERISA. We will provide consulting services to the Sponsor and the Participants as described above. The named Sponsor must make the ultimate decision as to retaining our firm for pension consulting services. The Sponsor is free to seek independent advice about the appropriateness of any recommended services for the plan.

Our firm or the Sponsor may terminate the pension consulting agreement may terminate the pension consulting agreement by providing written notice to the other party. The Sponsor may incur a charge for services rendered prior to such termination. If applicable, any unearned fees will be refunded on a pro rata basis.

Types of Investments

Ambassador Advisors reserves the right to advise you on any other type of investment that it deems appropriate based upon your stated goals and objectives. We may also provide advice on any type of investment held in your portfolio at the inception of the advisory relationship or on any investment on which you request advice.

Assets Under Management

As of December 31, 2010, we manage approximately \$180,000,000 in client assets on a discretionary basis, and no client assets on a non-discretionary basis.

Fees and Compensation

Form ADV Part 2A, Item 5

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

Additional Fees and Expenses

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. You may also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through which your account transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, please refer to the "Brokerage Practices" section of this Disclosure Brochure.

Compensation for the Sale of Securities or Other Investment Products

Persons providing investment advice on behalf of our firm are registered representatives with American

Portfolios Financial Services, Inc. ("American Portfolios"), a securities broker/dealer registered with the Securities and Exchange Commission and the Financial Industry Regulatory Authority ("FINRA"). In their capacity as registered representatives, these persons may receive commission-based compensation in connection with the purchase and sale of securities, including 12b-1 fees for the sale of investment company products. Compensation earned by these persons in their capacities as registered representatives is separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are registered representatives have an incentive to effect securities transactions for the purpose of generating commissions rather than solely based on your needs. However, you are under no obligation, contractually or otherwise, to purchase securities products through any person affiliated with our firm.

Persons providing investment advice on behalf of our firm are licensed as independent insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. However, you are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

Any material conflicts of interest between you and our firm, or our employees are disclosed in this Disclosure Brochure. If at any time, additional material conflicts of interest develop, we will provide you with written notification of the material conflicts of interest or an updated Disclosure Brochure.

Performance-Based Fees and Side-By-Side Management

Form ADV Part 2A, Item 6

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

Types of Clients

Form ADV Part 2A, Item 7

We offer personalized investment advisory services to primarily non-profit organizations and their donors, however other individuals, pension and profit sharing plans, trusts, estates, corporations or business entities may also be clients of the firm

In general, we do not require a minimum dollar amount to open and maintain an advisory account; however, we have the right to terminate your Account if it falls below a minimum size which, in our sole opinion, is too small to effectively manage.

Methods of Analysis, Investment Strategies and Risk of Loss

Form ADV Part 2A, Item 8

Our Methods of Analysis and Investment Strategies

We may use one or more of the following methods of analysis or investment strategies when providing investment advice to you. We will advise you on how to allocate your assets among various classes of securities. We primarily rely on Modern Portfolio Management (MPT) and the efficient frontier of investment management when developing our model portfolios and strategies. We generally recommend a long-term hold strategy.

- Fundamental Analysis – involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value.
- Quantitative analysis – a business or financial analysis technique that seeks to understand behavior by using mathematical and statistical modeling, measurement and research.
- Qualitative analysis – securities analysis that uses subjective judgement based on non-quantifiable information, such as management expertise, industry cycles, strength of research and development, and labor relations.
- Modern Portfolio Theory – theory on how risk-averse investors can construct portfolios to optimize or maximize expected return on a given level of market risk, emphasizing that risk is an inherent part of higher reward.
- Efficient Frontier - the optimal portfolios plotted along a risk-reward curve that have the highest expected return possible for the given amount of risk.
- Long Term Purchases – securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.
- Short Term Purchases – securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.

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

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

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

Moreover, as a result of revised IRS regulations, custodians and broker-dealers will begin reporting the cost basis of equities acquired in client accounts on or after January 1, 2011. Custodians will default to the FIFO accounting method for calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, please provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Please note that decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis

method cannot be changed after settlement.

Risk of Loss

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

Recommendation of Particular Types of Securities

As disclosed under the "Advisory Business" section in this Brochure, we recommend Mutual funds, Individual Securities, and Exchange Traded Funds however, we may recommend other types of investments as appropriate for you since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it.

Mutual funds and exchange traded funds are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds and ETFs generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. Exchange traded funds differ from mutual funds since they can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. The returns on mutual funds and ETFs can be reduced by the costs to manage the funds. Also, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, the fund, other types of mutual funds do charge such fees which can also reduce returns. Mutual funds can also be "closed end" or "open end". So-called "open end" mutual funds continue to allow in new investors indefinitely which can dilute other investors' interests.

Disciplinary Information

Form ADV Part 2A, Item 9

Ambassador Advisors, LLC has been registered and providing investment advisory services since 2002. Neither our firm nor any of our management persons has any reportable disciplinary information.

Other Financial Industry Activities and Affiliations

Form ADV Part 2A, Item 10

Registrations with Broker-Dealer

Persons providing investment advice on behalf of our firm are registered representatives with American Portfolios Financial Services, Inc. ("American Portfolios"), a securities broker/dealer registered with the Securities and Exchange Commission and the Financial Industry Regulatory Authority ("FINRA").

Persons providing investment advice on behalf of our firm are licensed as insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate from our advisory fees. Please see the "Fees and Compensation" section in this Brochure for more information on the compensation received by

insurance agents who are affiliated with our firm.

Recommendation of Other Advisers

We may recommend that you use a third party adviser ("TPA") based on your needs and suitability. We will receive compensation from the TPA for recommending that you use their services. These compensation arrangements present a conflict of interest because we have a financial incentive to recommend the services of the third party adviser. You are not obligated, contractually or otherwise, to use the services of any TPA we recommend.

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

Form ADV Part 2A, Item 11

Description of Our Code of Ethics

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

Our Code of Ethics is available to you upon request. You may obtain a copy of our Code of Ethics by contacting us at the telephone number listed on the cover page of this brochure.

Participation or Interest in Client Transactions

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

Personal Trading Practices

Our firm or persons associated with our firm may buy or sell the same securities that we recommend to you or securities in which you are already invested. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To eliminate this conflict of interest, it is our policy that Associated Persons shall not have priority over your account in the purchase or sale of securities.

A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To eliminate this conflict of interest, it is our policy that neither our Associated Persons nor we shall have priority over your account in the purchase or sale of securities.

Brokerage Practices

Form ADV Part 2A, Item 12

Our firm suggests that a client in need of brokerage and custodial services utilize U.S. Bancorp, Pershing, LLC and Charles Schwab & Co., Inc. (Schwab), a registered broker/dealer, member SIPC/FINRA.

Such recommendations will take into account a number of factors, some of which may include custodial fees charged by the broker/dealer for holding securities for you, commission rates, quality of execution, and record keeping and reporting capabilities. When recommending a broker/dealer, we will attempt to minimize the total cost for all brokerage services paid by you. It may be the case that U.S. Bancorp, Pershing, LLC or Schwab charges a higher fee for a particular type of service, such as commission rates, than can be obtained from another broker. You may utilize the broker-dealer of their choice and have no obligation to purchase or sell securities through such broker as Ambassador Advisors recommends.

In addition, we may also recommend the use of American Portfolios. Should you purchase an investment product through American Portfolios the Associated Person of our firm that is also registered representatives of American Portfolios may receive commissions in addition to any fees that were received for investment advice.

Schwab will hold your assets in a brokerage account and buy and sell securities when we instruct them to. We do not open the account for you, although we may assist you in doing so. Even though your account is maintained at Schwab, we can still use other brokers to execute trades for your account as described below (see "*Your Brokerage and Custody Costs*").

Your Brokerage and Custody Costs

For our clients' accounts that Schwab maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. Schwab's commission rates applicable to our client accounts were negotiated based on the condition that our clients collectively maintain a total of at least \$10,000,000 of their assets in accounts at Schwab. This commitment benefits you because the overall commission rates you pay are lower than they would be otherwise. In addition to commissions, Schwab charges you a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, we have Schwab execute most trades for your account. We have determined that having Schwab execute most trades is consistent with our duty to seek "best execution" of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors.

Products and Services Available to Us From Schwab

Schwab Advisor Services™ (formerly called Schwab Institutional®) is Schwab's business serving independent investment advisory firms like us. They provide us and our clients with access to its institutional brokerage - trading, custody, reporting, and related services - many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts; while others help us manage and grow our business. Schwab's support services generally are available on an unsolicited basis (we don't have to request them) and at no charge to us as long as our clients collectively maintain a total of at least \$10 million of their assets in accounts at Schwab. If our clients collectively have less than \$10 million in assets at Schwab, Schwab may charge us quarterly service fees of \$1,200. Following is a more detailed description of Schwab's support services:

Services That Benefit You. Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

Services That May Not Directly Benefit You. Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements)
- Facilitate trade execution and allocate aggregated trade orders for

multiple client accounts

- Provide pricing and other market data
- Facilitate payment of our fees from our clients' accounts
- Assist with back-office functions, recordkeeping, and client reporting services that generally benefit only us.

Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits, such as occasional business entertainment of our personnel.

Our Interest in Schwab's Services

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We don't have to pay for Schwab's services so long as our clients collectively keep a total of at least \$10 million of their assets in accounts at Schwab. Beyond that, these services are not contingent upon us committing any specific amount of business to Schwab in trading commissions or assets in custody. The \$10 million minimum may give us an incentive to recommend that you maintain your account with Schwab, based on our interest in receiving Schwab's services that benefit our business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that our selection of Schwab as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's services and not Schwab's services that benefit only us.

Schwab provides us with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor's clients' assets are maintained in accounts at Schwab Advisor Services. These services are not otherwise contingent upon us committing to Schwab any specific amount of business (assets in custody or trading commissions). Schwab's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For our client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab Advisor Services also makes available to us other products and services that benefit us but may not directly benefit our clients' accounts. Many of these products and services may be used to service all or some substantial number of our accounts, including accounts not maintained at Schwab.

Schwab's products and services that assist us in managing and administering your' accounts include software and other technology that (i) provide access to your account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of our fees from your account; and (v) assist with back-office functions, recordkeeping and client reporting.

Schwab Advisor Services also offers other services intended to help us manage and further develop our

business enterprise. These services may include: (i) compliance, legal and business consulting; (ii) publications and conferences on practice management and business succession; and (iii) access to employee benefits providers, human capital consultants and insurance providers. Schwab may make available, arrange and/or pay third-party vendors for the types of services rendered to us. Schwab Advisor Services may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to us. Schwab Advisor Services may also provide other benefits such as educational events or occasional business entertainment to us.

As a fiduciary, we endeavor to act in the best interests of our clients. However, our recommendation that you maintain your assets in accounts at Schwab may be based in part on benefits provided to us by the availability of some of the foregoing products and services and not solely on the nature, cost, or quality of custody and brokerage services provided by Schwab to us, which may create a potential conflict of interest.

Brokerage for Client Referrals

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

Directed Brokerage

We routinely suggest that you direct our firm to execute transactions through U.S. Bancorp, Pershing, LLC, Charles Schwab & Co., or American Portfolios. As such, we may be unable to achieve the most favorable execution of your transactions and you may pay higher brokerage commissions than you might otherwise pay through another broker-dealer that offers the same types of services. Not all advisers require their clients to direct brokerage.

Persons providing investment advice on behalf of our firm who are registered representatives of American Portfolios will recommend American Portfolios to you for brokerage services. These individuals are subject to applicable rules that restrict them from conducting securities transactions away from American Portfolios unless American Portfolios provides the representative with written authorization to do so. Therefore, these individuals are generally limited to conducting securities transactions through American Portfolios. It may be the case that American Portfolios charges higher transactions costs and/or custodial fees than another broker charges for the same types of services. If transactions are executed through American Portfolios, these individuals (in their separate capacities as registered representatives of American Portfolios) may earn commission-based compensation as result of placing the recommended securities transactions through American Portfolios. This practice presents a conflict of interest because these registered representatives have an incentive to effect securities transactions for the purpose of generating commissions rather than solely based on your needs. You may utilize the broker-dealer of your choice and have no obligation to purchase or sell securities through such broker as we recommend. However, if you do not use American Portfolios, we may not be able to accept your account. Please see the "Fees and Compensation" section in this Brochure for more information on the compensation received by registered representatives who are affiliated with our firm.

Block Trades

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

Review of Accounts

Form ADV Part 2A, Item 13

The Associated Person responsible for your account will review performance at periodic client meetings and are willing to meet no less than annually. Trigger factors of additional reviews include changes in your circumstances, and changes in world economic events among other events and circumstances. Additional reviews may be conducted based on various circumstances, including, but not limited to:

- contributions and withdrawals,
- year-end tax planning,
- market moving events,
- security specific events, and/or,
- changes in your risk/return objectives.

Unless requested, we will not provide you with additional or regular written reports in conjunction with account reviews. You will receive trade confirmations and monthly or quarterly statements from your account custodian(s).

Client Referrals and Other Compensation

Form ADV Part 2A, Item 14

We receive sponsorship payments from third parties, including mutual fund companies, in connection with programs, conferences or seminars which we hold. The receipt of these payments may result in a conflict of interest when making client investment decisions given that we may recommend that you invest in the mutual funds which provide us with such payments.

As disclosed under the "Fees and Compensation" section in this Brochure, persons providing investment advice on behalf of our firm are licensed insurance agents, and are registered representatives with American Portfolios. For information on the conflicts of interest this presents, and how we address these conflicts, please refer to the "Fees and Compensation" section.

We directly compensate non-employee (outside) consultants, individuals, and/or entities (Solicitors) for client referrals. In order to receive a cash referral fee from our firm, Solicitors must comply with the requirements of the jurisdictions in which they operate. If you were referred to our firm by a Solicitor, you should have received a copy of this Disclosure Brochure along with the Solicitor's disclosure statement at the time of the referral. Non-employee (outside) consultants (for example HomeTowne Heritage Bank, a division of National Penn Bank, Eric B. Phillips, CPA, Vincent Garcia, CPA, Matthew Garman, CPA and John Senft, Esq.) who are directly responsible for bringing a client to our firm, may receive compensation from us. Such agreements will comply with the requirements set out in Rule 206(4)-3 of the Investment Advisers Act of 1940, including the requirement that the relationship between the solicitor and our firm be disclosed to you at the time of the solicitation or referral. Under these arrangements, you will not pay higher fees than our normal/typical advisory fee.

In any case, applicable state laws may require these persons to become either licensed as Associated Persons of our firm or as an independent investment adviser. We will request that you acknowledge this arrangement prior to acceptance of your' account for advisory services.

Solicitors that refer business to more than one investment adviser may have a financial incentive to recommend

advisers with more favorable compensation arrangements. We request that our Solicitors disclose to you whether multiple referral relationships exist and that comparable services may be available from other advisers for lower fees and/or where the Solicitor's compensation is less favorable.

Custody

Form ADV Part 2A, Item 15

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

If you have a question regarding your account statement or if you did not receive a statement from your custodian, please contact Adrian Young, Chief Compliance Officer at 717.560.8300.

Robert Kauffman, President of Ambassador Advisors, LLC, serves as trustee to certain accounts for which we provide investment advisory services. Robert Kauffman's capacity as trustee gives him custody over the advisory accounts for which he serves as trustee. These accounts will be held with a bank, broker-dealer, or other independent, qualified custodian. If any Associated Person acts as trustee for any of your advisory accounts, you will receive account statements from the independent, qualified custodian(s) holding your funds and securities at least quarterly. You should carefully review account statements for accuracy. If you have a question regarding your account statement or if you did not receive a statement from your custodian, please contact Adrian Young, Chief Compliance Officer at 717.560.8300.

Investment Discretion

Form ADV Part 2A, Item 16

Before we can buy or sell securities on your behalf, you must first sign our discretionary management agreement, a power of attorney, and/or trading authorization forms.

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

Voting Client Securities

Proxy Voting

We will not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of common stock or mutual funds, you are responsible for exercising your right to vote as a shareholder. In most cases, you will receive proxy materials directly from the account custodian.

Financial Information

We do not have a financial condition that is reasonably likely to impair our ability to meet our commitments to you.

Additional Information**Your Privacy**

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any nonpublic personal information about you to any nonaffiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

We restrict internal access to nonpublic personal information about you to employees, who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your nonpublic personal information and to ensure our integrity and confidentiality. We will never sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. Please contact Adrian Young, Chief Compliance Officer, at 717.560.8300, if you have any questions regarding this policy.

Trade Errors

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

For accounts at Schwab, If a profit results from the correcting trade, the profit will remain in your account unless the same error involved other client account(s) that should have received the gain, it is not permissible for you to retain the gain, or we confer with you and you decide to forego the gain (e.g., due to tax reasons).

If the profit does not remain in your account and Schwab is the custodian, Schwab donates gains of \$100 or more to charity. If a loss occurs greater than \$100, our firm will pay for the loss. Schwab may retain gains of \$100 or less, if they are not kept in your account, to offset administrative expenses. Generally, if related trade errors result in both gains and losses in your account, they may be netted.

Class Action Lawsuits

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

Charitable Gift Annuities and Charitable Giving

As part of our consulting services, described in the Advisory Business section above, we may provide you with general information and advice on charitable gift annuities and/or charitable giving. Please be advised that our firm currently manages assets of charities and non-profit organizations which sponsor charitable gift annuities. However, we do not recommend any particular charitable gift annuity, charity or non-profit organization nor have we vetted or performed any due diligence on any charities, non-profit organizations or charitable gift annuities. You are solely responsible for determining the merits of investing in any particular charitable gift annuity or identifying a specific charity or non-profit organization for donation. In the event you are interested in the merits of investing in any particular charitable gift annuity or making a donation to any particular charity or non-profit organization, you should contact the specific charity or non-profit organization directly for information.