

Firm Brochure
(Part 2A of Form ADV)

Turloff Financial Consulting, Inc.
P.O. Box 11526
Bainbridge Island, WA 98110
PHONE: (206) 842-1422
FAX: (206) 842-5286
www.turloff.com
EMAIL: eric@turloff.com

This brochure provides information about the qualifications and business practices of Turloff Financial Consulting, Inc. If you have any questions about the contents of this brochure, please contact us at: (206) 842-1422, or by email at: eric@turloff.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority.

Additional information about Turloff Financial Consulting, Inc. is available on the SEC's website at www.adviserinfo.sec.gov.

December 31, 2010

Material Changes

Annual Update

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

Material Changes since the Last Update

The U.S. Securities and Exchange Commission issued a final rule in July 2010 requiring advisers to provide a Firm Brochure in narrative “plain English” format. The new final rule specifies mandatory sections and organization.

Full Brochure Available

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: (206) 842-1422 or by email at: eric@turloff.com.

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Advisory Business

Firm Description

Turloff Financial Consulting was founded in 1998.

Turloff Financial Consulting, Inc. provides personalized confidential financial planning and investment management to individuals, pension and profit sharing plans, trusts, estates, charitable organizations and small businesses. Advice is provided through consultation with the client and may include: determination of financial objectives, identification of financial problems, cash flow management, tax planning, insurance review, investment management, education funding, retirement planning, and estate planning.

Turloff Financial Consulting, Inc. is strictly a fee-only financial planning and investment management firm. The firm does not sell annuities, insurance, stocks, bonds, mutual funds, limited partnerships, or other commissioned products. The firm is not affiliated with entities that sell financial products or securities. No commissions in any form are accepted. No finder's fees are accepted.

Investment advice is an integral part of financial planning. In addition, Turloff Financial Consulting, Inc. advises clients regarding cash flow, college planning, retirement planning, tax planning and estate planning.

Investment advice is provided, with the client making the final decision on investment selection. Turloff Financial Consulting, Inc. does not act as a custodian of client assets. The client always maintains asset control. Turloff Financial Consulting, Inc. places trades for clients under a limited power of attorney.

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) are engaged directly by the client on an as-needed basis. Conflicts of interest will be disclosed to the client in the unlikely event they should occur.

The initial meeting, which may be by telephone, is free of charge and is considered an exploratory interview to determine the extent to which financial planning and investment management may be beneficial to the client.

Principal Owners

Eric Turloff is a 100% stockholder.

Types of Advisory Services

Turloff Financial Consulting, Inc. provides investment supervisory services, also known as asset management services.

On more than an occasional basis, Turloff Financial Consulting, Inc. furnishes advice to clients on matters not involving securities, such as financial planning matters, taxation issues, and trust services that often include estate planning.

As of 28 February 2010, Turloff Financial Consulting, Inc. manages approximately \$53.2 million in assets for approximately 44 clients. Approximately 100% is managed on a discretionary basis, and 0% is managed on a non-discretionary basis.

Tailored Relationships

The goals and objectives for each client are requested in during client interviews; however, some clients do not choose to provide these in their entirety. Investment policy statements are created that reflect the client's wishes. Clients may impose restrictions on investing in certain securities or types of securities.

Types of Agreements

The following agreements define the typical client relationships.

Financial Planning Options

A. Comprehensive Financial Planning Services

With this service, a detailed review of the client's current financial situation is performed. During this review, the following areas will be addressed:

- Long and short term goals
- Analysis of cash flow and cash flow projections
- Analysis of taxes and tax planning
- Risk management and insurance needs
- Educational planning
- Estate planning
- Retirement planning
- Analysis of investments and development of an investment strategy
- Recommendations
- An implementation checklist

At the completion of this review, the client will receive a written report addressing all the areas mentioned.

The flat fee for the comprehensive personal financial plan ranges from \$2,000 to \$10,000. The fee is determined by three factors: income, net worth and the complexity of the client's financial affairs. The following table serves as a general guideline of how the fees are determined:

INCOME RANGE		NET WORTH	FEE RANGE	
			Low Complexity	High Complexity
Middle Income	40K to 70K	-0- to 400K	\$2,000	\$4,000
Upper Income	50K to 100K	400K to 1M	\$3,000	\$5,000
High Income	100K to 200K	1M to 2M	\$4,000	\$6,000
Affluent	Over \$200K	Over 2M	\$6,000	\$10,000

Assuming the work is to be completed within six months, a deposit of 50% of the fee is payable at contract signing. The balance is payable upon delivery of the financial plan. If at the end of six months the work is not completed then the unused portion of the deposit will be refunded.

B. Limited Financial Planning Services

Some clients may not require an in-depth review of all the areas addressed in the Comprehensive Plan above; instead, they just want help with a limited number of topics. For these clients, we meet to review the current financial situation and needs. A work plan is developed from this meeting, and a fee estimate is provided. The fee estimate is based upon the time necessary to complete each task at an hourly rate of \$90-170.

Assuming the work is to be completed within six months, a deposit of 50% of the fee is payable at contract signing. The balance is payable upon delivery of the financial plan. If at the end of six months the work is not completed then the unused portion of the deposit will be refunded.

Financial planning is a discovery process. At times, the client may be unaware of certain financial exposures or predicaments in personal situations. The fee for a financial plan is predicated upon the facts known at the start of the engagement.

In the event that the client's situation differs substantially from that disclosed at the initial meeting, a revised fee will be provided by mutual agreement. The client must approve the change of scope in advance of the additional work being performed when a fee increase is necessary.

Detailed investment advice and specific recommendations are provided as part of the financial plan. Implementation of the recommendations is at the discretion of the client.

After delivery of the financial plan, future face-to-face meetings may be scheduled as necessary for up to one month. Additional implementation work is billed separately at a rate of \$90-170 per hour.

Discretionary Asset Management

Most clients choose to have Turloff Financial Consulting manage their assets in order to obtain ongoing in-depth advice and life planning as a part of a comprehensive or limited financial plan. This service includes portfolio management services include:

The client and Advisor will agree upon written investment objectives individually tailored to the client's unique personal situation, liquidity and income needs, time horizon, attitude toward risk, and special investment concerns.

The client and Advisor will agree upon a long-term asset allocation that specifies the percentage of assets to be invested in equity, fixed income, and other assets.

Advisor will recommend investments believed to be appropriate to the client.

Advisor will assist the client in opening accounts, filling out initial applications and transfer forms, as well as remitting cash and securities.

Advisor will recommend investment transactions and place these transaction orders directly with investment companies, or discount brokers such as Schwab with the client's approval. (A small transaction fee may be charged by brokerage firms which would not otherwise be charged if the client purchased no-load funds directly.)

Advisor may use a "dollar cost averaging" approach when investing new funds, according to the client's objectives and the economic climate.

The client will receive prospectuses, confirmations, and monthly statements of all transactions from the broker processing the transactions.

On a quarterly basis, Advisor will perform a general review of the client's account to ensure that it is consistent with the client's written investment objectives and asset allocation strategy.

On an as needed basis, the client and Advisor will discuss the client's investment objectives, investment performance, asset allocation, and/or individual investments in the portfolio. These discussions can occur in person, over the phone and/or via mail.

Discretionary Asset supervision service is 0.6% of the first \$500,000 and 0.3% over \$500,000. The minimum quarterly fee is \$500. Turloff Financial Consulting, Inc, in its sole discretion, may waive its minimum fee and/or charge a lesser advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.).

Fees are billed quarterly, in arrears. Payment in full is expected upon invoice presentation. Fees are usually deducted from a designated client asset account to facilitate billing. The client must consent in advance to direct debiting of the account.

Although the Comprehensive Financial Agreement is an ongoing process and constant adjustments are required, the duration of service is at the client's discretion. The client or Advisor may terminate the Agreement by written notice to the other party. At termination, fees will be billed on a pro rata basis for the portion of the quarter completed after the first year. The portfolio value at the completion of the prior full billing quarter is used as the basis for the fee computation. Family members, employees and key vendors may receive services at reduced rates.

Tax Preparation Agreement

Tax preparation work is not included. Tax preparation work is performed separately from an *Advisory Service Agreement*.

Termination of Agreement

A Client may terminate any of the aforementioned agreements at any time by notifying Turloff Financial Consulting, Inc. in writing and paying the rate for the time spent on the investment advisory engagement prior to notification of termination. If the client made an advance payment, Turloff Financial Consulting, Inc. will refund any unearned portion of the advance payment.

Turloff Financial Consulting, Inc. may terminate any of the aforementioned agreements at any time by notifying the client in writing. If the client made an advance payment, Turloff Financial Consulting, Inc. will refund any unearned portion of the advance payment.

Fees and Compensation

Description

Turloff Financial Consulting, Inc. bases its fees on a percentage of assets under management, hourly charges, and fixed fees.

Financial plans are priced according to the degree of complexity associated with the client's situation.

Fee Billing

Asset management fees are billed quarterly, in arrears, meaning that clients are invoiced after the three-month billing period has ended. Payment in full is expected upon invoice presentation. Fees are usually deducted from a designated client account to facilitate billing. The client must consent in advance to direct debiting of their investment account.

Other Fees

Custodians may charge transaction fees on purchases or sales of certain mutual funds and exchange-traded funds. These transaction charges are usually small and incidental to the purchase or sale of a security. The selection of the security is more important than the nominal fee that the custodian charges to buy or sell the security.

Expense Ratios

Mutual funds generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.5% for their services. These fees are in addition to the fees paid by you to Turloff Financial Consulting, Inc. Performance figures quoted by mutual fund companies in various publications are after their fees have been deducted.

Past Due Accounts and Termination of Agreement

Turloff Financial Consulting, Inc. reserves the right to stop work on any account that is more than 15 days overdue. In addition, Turloff Financial Consulting, Inc. reserves the right to terminate any financial planning engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations necessary and appropriate, in Turloff Financial Consulting, Inc.'s judgment, to providing proper financial advice. Any unused portion of fees collected in advance will be refunded within 30 days.

Performance-Based Fees

Sharing of Capital Gains

Fees are not based on a share of the capital gains or capital appreciation of managed securities.

Turloff Financial Consulting, Inc. does not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client. Rather, recommendations are based upon what is most prudent for each client.

Types of Clients

Description

Turloff Financial Consulting, Inc. generally provides investment advice to individuals, banks or thrift institutions, investment companies, pension and profit sharing plans, trusts, estates, charitable organizations, and corporations or business entities.

Client relationships vary in scope and length of service.

Account Minimums

Clients receiving ongoing asset management services will be assessed a \$500 minimum quarterly fee.

Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

Security analysis methods may include charting, fundamental analysis, technical analysis, and cyclical analysis.

The main sources of information include financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses, filings with the Securities and Exchange Commission, and company press releases.

Investment Strategies

The primary investment strategy used on client accounts is strategic asset allocation. Portfolios are globally diversified to control the risk associated with traditional markets.

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time. Each

client has an Investment Policy Statement that documents their objectives and their desired investment strategy.

Other strategies may include long-term purchases, short-term purchases, trading, short sales, margin transactions, and option writing (including covered options, uncovered options or spreading strategies).

Risk of Loss

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Disciplinary Information

Legal and Disciplinary

The firm or its employees have not been involved in legal or disciplinary events related to past or present investment clients.

Other Financial Industry Activities and Affiliations

Financial Industry Activities

Turloff Financial Consulting, Inc. has no other activities in the financial industry.

Affiliations

Turloff Financial Consulting, Inc. has a limited joint operating agreement with Eagle Harbor Asset Management. The purpose of this agreement is to enhance the service level to our clients by providing backup in the event of vacation, illness and or death.

From time to time either firm may recommend the other firm's services.

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

Code of Ethics

The employees of Turloff Financial Consulting, Inc. have committed to a Code of Ethics that is available for review by clients and prospective clients upon request. The firm will provide a copy of the Code of Ethics to any client or prospective client upon request.

Client and Employee Trading

Turloff Financial Consulting, Inc. and its employees may buy or sell securities that are also held by clients. Most trading is conduct based upon individual client needs. Since we do not recommend specific stocks, we do not have the ability to front run.

Brokerage Practices

Selecting Brokerage Firms

Turloff Financial Consulting, Inc. does not have any affiliation with product sales firms. Specific custodian recommendations are made to clients based on their need for such services. Turloff Financial Consulting, Inc. recommends custodians based on the proven integrity and financial responsibility of the firm and the best execution of orders at reasonable commission rates.

Turloff Financial Consulting, Inc. recommends discount brokerage firms and trust companies (qualified custodians), such as Charles Schwab.

Turloff Financial Consulting, Inc. does not receive fees or commissions from any of these arrangements.

Best Execution

Turloff Financial Consulting, Inc. primarily trades in mutual funds and has determined that Charles Schwab provides high quality service at reasonable prices.

Soft Dollars

Turloff Financial Consulting, receives a software maintenance credit of about \$800 per year from Charles Schwab & Company because some client assets are custodied at Schwab. This credit offsets annual maintenance fees for our portfolio management software. All clients benefit from this credit as it reduces the firm's overall expenses. The selection of Charles Schwab & Company as a custodian for clients is not affected by this nominal credit.

Order Aggregation

Most trades are mutual funds and aggregation is not necessary.

Review of Accounts

The firm performs account reviews annually. These reviews are conducted personally by Eric Turloff. Account reviews are performed more frequently when market conditions dictate. The frequency of these reviews is determined by the client's current security positions and the likelihood that the performance of each security will contribute to the investment objectives of the client. Other conditions that may trigger a review include changes in the tax laws, new information about an investment, changes in a client's personal situation, the need to raise cash, etc. Clients receive written reports at least annually.

Client Referrals and Other Compensation

Incoming Referrals

Turloff Financial Consulting, Inc. has been fortunate to receive many client referrals over the years. The referrals came from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other similar sources. The firm does not compensate referring parties for these referrals.

Referrals Out

Turloff Financial Consulting, Inc. does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

Custody

Account Statements

All assets are held at qualified custodians, which means the custodians provide account statements directly to clients at their address of record at least quarterly.

Reports from Turloff Financial Consulting, Inc.

Clients are urged to compare the account statements received directly from their custodians to the reports provided by Turloff Financial Consulting, Inc.

Investment Discretion

Discretionary Authority for Trading

Turloff Financial Consulting, Inc. accepts discretionary authority to manage securities accounts on behalf of clients. Turloff Financial Consulting, Inc. has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. However, Turloff Financial Consulting, Inc. consults with the client prior to each trade to obtain concurrence if a blanket trading authorization has not been given.

The client approves the custodian to be used and the commission rates paid to the custodian. Turloff Financial Consulting, Inc. does not receive any portion of the transaction fees or commissions paid by the client to the custodian on certain trades.

Discretionary trading authority facilitates placing trades in accounts on the client's behalf so that we may promptly implement the investment policy that clients have approved in writing.

Limited Power of Attorney

A limited power of attorney is a trading authorization for this purpose. Clients sign a limited power of attorney so that we may execute approved trades.

Voting Client Securities

Proxy Votes

Turloff Financial Consulting, Inc. does not vote proxies on client securities. Clients are expected to vote their own proxies.

Financial Information

Financial Condition

Turloff Financial Consulting, Inc. does not have any financial impairment that would preclude the firm from meeting contractual commitments to clients.

A balance sheet is not required to be provided because Turloff Financial Consulting, Inc. does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$500 per client, and six months or more in advance.

Information Security Program

Information Security

Turloff Financial Consulting, Inc. maintains an information security program to reduce the risk that your personal and confidential information may be breached.

Privacy Notice

Turloff Financial Consulting, Inc is committed to maintaining the confidentiality, integrity and security of the personal information that is entrusted to our firm.

The categories of nonpublic information that we collect from you may include information about your personal finances, information about your health to the extent that it is needed for the financial planning process, and information about transactions between you and third parties. We use this information to help you meet your personal financial goals.

With your permission, we disclose limited information to attorneys, accountants, mortgage lenders and insurance agents with whom you either already have an established relationship, or to whom you may direct us to establish a relationship in your behalf. Some profile information (age, health status, situational information) about you is provided to third parties without disclosing your identify, i.e. to obtain insurance quotes before you have authorized the relationship.

You may opt out from our sharing information with these nonaffiliated third parties by notifying us at any time by telephone, mail, fax, e-mail, or in person. We share a limited amount of information about you with your brokerage firm in order to execute securities transactions on your behalf.

We maintain a secure office to ensure that your information is not placed at unreasonable risk. We employ a firewall software barrier.

We do not provide your personal information to mailing list vendors or solicitors.

We require strict confidentiality in our agreements with affiliated and unaffiliated third parties that require access to your personal information, including financial service companies, consultants, and auditors. Federal and state securities regulators may review our Company records and your personal records as permitted by law to ensure our firm's compliance with state and federal securities laws.

Personally identifiable information about you will be maintained while you are a client, and for the required period thereafter that records are required to be maintained by federal and state securities laws. After that time, information may be destroyed.

We routinely employ a paper shredder to destroy unnecessary documents that include personal information.

We will notify you in advance if our privacy policy is expected to change. We are required by law to deliver this Privacy Statement to you annually, in writing.

Brochure Supplement (Part 2B of Form ADV)

Education and Business Standards

Turloff Financial Consulting, Inc. requires that advisors in its employ have a bachelor's degree and further coursework demonstrating knowledge of financial planning and tax planning. Examples of acceptable coursework include: an MBA, a CFP®, a CFA, a ChFC, JD, CTFA, EA or CPA. Additionally, advisors must have work experience that demonstrates their aptitude for financial planning and investment management.

Professional Certifications

Employees have earned certifications and credentials that are required to be explained in further detail.

Chartered Financial Analyst (CFA): Chartered Financial Analysts are licensed by the CFA Institute to use the CFA mark. CFA certification requirements:

- Hold a bachelor's degree from an accredited institution or have equivalent education or work experience.
- Successful completion of all three exam levels of the CFA Program.
- Have 48 months of acceptable professional work experience in the investment decision-making process.
- Fulfill society requirements, which vary by society. Unless you are upgrading from affiliate membership, all societies require two sponsor statements as part of each application; these are submitted online by your sponsors.
- Agree to adhere to and sign the Member's Agreement, a Professional Conduct Statement, and any additional documentation requested by CFA Institute.

Certified Public Accountant (CPA): Certified Public Accountant lanners are licensed by the State Board of Accountancy to use the CPA mark. CFP certification requirements:

- Bachelor's degree from an accredited college or university.
- Pass the CPA exam.
- Successful completion of the 40-hour per year of continuing education.
- Two-year qualifying full-time work experience.

Eric E Turloff CPA CFA**Educational Background:**

- Date of birth: 29 March 1958
- University of Michigan BBA 1978

Business Experience:

- Auditor with Icerman, Johnson & Hoffman CPA, 1977
- Senior Auditor with Ernst & Whitney, 1978 to 1980
- Financial Analyst with Weyerhaeuser, 1980 to 1998
- Founder of Turloff Financial Consulting, 1998 to Present

Disciplinary Information: None

Other Business Activities: Tax preparation

Additional Compensation: None

Supervision: Not applicable

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceedings: None

Bankruptcy Petitions: None