

**Compass Financial Consulting, LLC
200 Galleria Parkway, Ste. 1950
Atlanta, GA 30339
P: 770-563-8895
www.financialdirection.com**

January 19, 2011

This brochure provides information about the qualifications and business practices of Compass Financial Consulting, LLC. If you have any questions about the contents of this Brochure, please contact us at (770) 563-8895 and/or johnb@financialdirection.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 Compass Financial Consulting, LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

Any references to Compass Financial Consulting, LLC as a registered investment adviser or its related persons as registered advisory representatives does not imply a certain level of skill or training.

Material Changes

This is the initial disclosure brochure. Therefore, there are no material changes to disclose.

At least annually, this Item will discuss only specific material changes that are made to the Brochure and provide you with a summary of such changes. Additionally, reference to the date of the last annual update to this Brochure will be provided.

TABLE OF CONTENTS

Material Changes	2
Advisory Business	4
Asset Management Services	5
Asset Allocation Services Not Involving Asset Management “Convenience Accounts”	7
Financial Planning and Consulting	7
General Information	9
Fees and Compensation	9
Asset Management Services	9
Asset Allocation Services Not Involving Asset Management “Convenience Accounts”	11
Financial Planning and Consulting	11
General Fee Information	12
Performance-Based Fees and Side-By-Side Management	13
Types of Clients	13
Methods of Analysis, Investment Strategies and Risk of Loss	13
Disciplinary Information	15
Other Financial Industry Activities and Affiliations	15
Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	16
Brokerage Practices	16
Review of Accounts	18
Client Referrals and Other Compensation	18
Custody	18
Investment Discretion	19
Voting Client Securities	19
Financial Information	19
Requirements for State Registered Advisers	19
 Brochure Supplements	

Advisory Business

Compass Financial Consulting, LLC (hereinafter referred to as “CFC”) is an investment advisory firm offering a variety of advisory services customized to your individual needs. The services are more fully described below.

CFC was founded in 1999 and filed for investment adviser registration with the Securities and Exchange Commission in March of 2004. Prior to 2004, CFC was a state registered investment adviser with Georgia and other required states. Kevin S. Kraus, John D. Bochniak and Kenneth Bridges are the Members and principal owners. Kevin, John and Kenneth have been in the financial services industry for over 15 years. Additional business information about these Members is disclosed in Supplemental Brochures. Supplemental Brochures are available on all Members upon your request.

CFC offers the following advisory services tailored to your individual needs:

- Financial Planning and Consulting
- Investment Management
 - Standard Management
 - Coordinated Management
- Asset Allocation Services -(“Convenience Accounts”)

Each of the services is more fully described below.

CFC takes the following steps when you engage CFC for advisory services:

Step 1: We start with a complimentary meeting, where there is a mutual process of getting to know each other and decide if there is a desire on both sides to begin working together, and whether our services would be of benefit to you.

Step 2: Our first objective in the planning process is for us, together, to identify your personal goals and objectives, so that we can better understand how your primary assets, your time and your finances can be organized to work toward your financial goals. We typically spend our first planning session discussing your goals and identifying the motivation behind the goals. During this initial client meeting, we also seek to compile all current assets, take an inventory of insurance coverage, wills and any estate documents, an annotation of your monthly income and expenses, and a review of your tax returns. We identify your investment experience and attempt to evaluate tolerance for investment volatility and risk.

Step 3: We deliver a preliminary financial analysis, with an action list of preliminary recommendations. We will make recommendations on your strategic investment holdings with suggestions for changes, if appropriate. This evaluation will normally include a financial independence plan, although each person’s concept may differ. The goal is to set a course that will help you to work toward your financial goals and objectives

Step 4: We revisit the financial planning analyzes and proposals after receiving your feedback, adjust recommendations where appropriate, complete the various applications, transfer assets and set an action plan.

Step 5: We complete asset transfers, implement the investment recommendations, and begin to take action on any other issues that were mentioned in the plan.

Step 6: We have a coordinated, systematic approach to monitoring your progress towards your goals.

Depending on the services you have requested, CFC will gather various financial information and history from you including, but not limited to:

- Retirement and financial goals
- Investment objectives
- Investment horizon
- Risk Tolerance
- Financial needs
- Cash flow analysis
- Cost of living needs
- Education needs
- Savings tendencies
- Other applicable financial information required by CFC in order to provide the investment advisory services requested.

If you are participating in Asset Management services, CFC will create an Investment Policy Statement (“IPS”) customized for you. The IPS will:

- Document your attitude, expectation, objectives and guidelines for the managed portfolio.
- Set forth an investment structure for managing your portfolio. This structure includes various asset classes, investment management styles, asset allocations and acceptable ranges.
- Establish guidelines regarding the selection of investment managers, permissible securities and diversification of assets.
- Define the responsibilities of you and CFC
- Provide a summary of an investment philosophy and procedures that provide guidance to you and CFC.

CFC has under management as of October 31, 2010: \$144,573,193 of discretionary assets and \$4,349,944 of non-discretionary assets.

Asset Management Services

CFC will provide investment management services on a continuous basis based on your individual needs. However, CFC utilizes model portfolios it has created and with your assistance determines the appropriate models to apply to your managed assets. Your portfolio is then customized as

necessary to refine the management strategy to your unique risk and return needs. You may impose restrictions and/or limitations on the investing in certain securities or types of securities. Your portfolio will be diversified across several asset classes including: fixed income, equities, alternative, and international investments.

CFC has created six portfolios: Aggressive, High Growth, Growth, Balanced, Moderate and Conservative. You are advised your managed account may be similarly managed and contain similar holdings as compared to other clients' managed accounts with similar investment objectives and risk tolerance.

The investment vehicles selected may include individual equity or fixed income securities, publicly traded mutual funds, and a limited number of option strategies.

CFC will schedule a meeting with you and present the recommended portfolio allocation. Upon your approval, CFC will implement the portfolio allocation. CFC will provide continuous and ongoing management of your account. Unless otherwise expressly requested by you, CFC will manage the account and will make changes to the allocation as deemed appropriate by CFC. CFC will determine the securities to be purchased and sold in the account and will alter the securities holdings from time to time, without prior consultation with you. CFC may actively trade securities and hold such holdings for periods of one year or less or maintain positions for longer or shorter term periods.

CFC offers two different types of Investment Management Services: *Standard Management* and *Coordinated Management*. Whether selecting *Standard* or *Coordinated Management*, you will receive the following services:

- Consultation to discuss your investment objectives, risk tolerance, time horizon and life goals.
- Development of an asset allocation plan or model portfolio that aligns with your investment objectives.
- Selection and presentation of investment strategy to you. As previously stated, CFC begins with a model portfolio and, if needed, modifies the model to your specific needs.
- Implementation of the investment strategy.
- Monitoring of investment selections including adjustments or rebalancing of the investment mix when necessary, as well as selecting other investment managers or strategies, when applicable.
- Selecting other investment managers or strategists
- Offering you on-going education and investment training.
- Reporting of investment performance to you, provided accounts(s) are maintained at TD Ameritrade.

Additionally, depending on the management option you have selected you will receive:

Standard Management Agreement

“Limited” ongoing counsel and assistance in your financial decision making. “Limited” is defined as three (3) hours of time provided by CFC during a calendar year to consult on

matters not associated with the Investment Management. Advice is limited to what you request and does not include a comprehensive review of your financial planning situation. Requests for financial, estate, retirement or other financial counsel deemed outside of this time scope will be discussed with and authorized by you. Such authorized requests will be charged accordingly to CFC' standard hourly fee schedule disclosed under Financial Planning and Consulting.

Coordinated Management Agreement

Recurring counsel and assistance in your financial decision making, including the regular review and monitoring of your financial plan.

You are advised transactions in the account, account reallocations and rebalancing may trigger a taxable event, with the exception of IRA accounts, 403(b) accounts and other qualified retirement accounts.

As further described below under Brokerage Practices, CFC has entered into a relationship to offer you brokerage and custodial services through TD Ameritrade. There is no affiliation between CFC and TD Ameritrade. You are under no obligation to utilize the custodial or brokerage services of TD Ameritrade.

Asset Allocation Services “Convenience Accounts”

On occasion, CFC may agree to open an account for your general convenience or for your friends or family. This service provides asset allocation, periodic monitoring and consolidated annual reporting.

CFC offers two levels of services:

- 1) Convenience Account - The assets placed in “convenience accounts” will not receive continuous and ongoing asset management. Upon your request, CFC will assist you to determine the objectives for the account and provide a suggested Account Policy Statement (“APS”).
- 2) Convenience-Asset Allocation Account – CFC will periodically review your account and monitor its allocation with respect to the APS parameters. Upon your request and authorization you may provide CFC with discretionary trading authority to implement the APS. CFC will periodically rebalance and reallocate (i.e. facilitate purchases and sales within the account) the account to bring the account in line with the objectives outlined in the APS. CFC may, but is under no obligation to, update the APS in future years.

Financial Planning and Consulting

Financial planning services are broken down into several well-defined areas:

- Financial assessment – organize financial data into various financial statement formats. This data will provide a basis for planning;
- Financial independence - we will create a projection which will give us a range of potential possibilities of working towards your retirement goals;

Compass Financial Consulting, LLC

- Education funding (if applicable) - we will project the cost of your child(ren)'s education and look for appropriate ways to save for it;
- Portfolio building and investment analysis - we review your strategic investments and provide recommendations among different types of assets with a view toward fulfilling your financial planning objectives;
- Insurance planning - we review your life and disability insurance coverage;
- Tax planning - we assess and plan around income taxes; and
- Estate planning - we assess the need for an updated will, trusts and trust services, and give advice on charitable gifting.

There are two phases to CFC's financial planning services.

Phase I – Coordinated Financial Planning Services

Coordinated financial planning integrates seven key areas of your financial life:

- 1) Asset management (your total investment picture);
- 2) Life and disability insurance planning (attempting to protect you from catastrophe);
- 3) Tax planning and management (improving your wealth-building efficiency);
- 4) Debt management (reducing unnecessary expenses);
- 5) Estate planning (helping you transfer your lifetime assets to your heirs and/or to worthy causes);
- 6) Charitable planning, to help you give back to the community; and
- 7) An evaluation of the goals and objectives that provide context for the financial plan as a whole.

Services will include: financial goal setting; net worth summary and review; cash flow and income tax projections; life and disability insurance needs analysis; estate analysis and projected estate tax liability; charitable giving planning and strategies; children's educational needs analysis; asset allocation or investment analysis; and retirement feasibility study.

Phase II - Ongoing Implementation and Monitoring

Services include:

- Overseeing the implementation of the financial strategies developed in your financial plan.
- Ongoing counsel and assistance in your financial decision-making.
- Periodic planning and review meetings as deemed necessary by both you and your Advisory Representative in order to keep your financial plan current.
- Assistance with the coordination of the various professional advisors necessary to implement and maintain your financial plan.
- Counsel in suggesting revisions/modifications to your financial plan as your situation or the external financial environment changes.

Plans are based on your financial situation at the time and are based on financial information disclosed by you to CFC. You are advised that certain assumptions may be made with respect to interest and inflation rates and use of past trends and performance of the market and economy. However, past performance is in no way an indication of future performance. CFC cannot offer any guarantees or promises that your financial goals and objectives will be met. Further, you must

continue to review the plan and update the plan based upon changes in your financial situation, goals, or objectives or changes in the economy. Should your financial situation or investment goals or objectives change, you must notify CFC promptly of the changes. You are advised that the advice offered by CFC may be limited and is not meant to be comprehensive. Therefore, you may need to seek the services of other professionals such as an insurance adviser, attorney and/or accountant.

You are not obligated to implement advice through CFC.

General Information

You are advised the investment recommendations and advice offered by CFC are not legal advice or accounting advice. You should coordinate and discuss the impact of financial advice with your attorney and/or accountant. You are advised that it is necessary to inform CFC promptly with respect to any changes in your financial situation and investment goals and objectives. Failure to notify CFC of any such changes could result in investment recommendations not meeting your needs.

Fees and Compensation

Asset Management Services

Fees are not negotiable. Further, fees are not based on a share of capital gains upon or capital appreciation of the funds or any portion of the funds.

CFC's advisory fees are based on a percentage of the value of assets under management as of the last trading day of the previous calendar quarter. Fees are payable on a calendar quarterly basis, in advance. Since CFC's fees are based on the value of assets under management this is considered a conflict of interest since CFC's compensation is directly impacted by the value of your portfolio. However, CFC's compensation is also affected if the account value does not grow since its compensation will be decreased. Fees will be prorated if management begins after the start of a quarter or you cancel within any quarter. The initial fee for a partial quarter will be charged at the end of the then current quarter along with the fee for the following quarter. Fees are determined based on an aggregated value of managed account assets.

You may make additions to the Account or withdrawals from the Account, provided the Account continues to meet minimum account size requirements. CFC reserves the right to charge in arrears an advisory fee on funds or assets deposited to the account during a calendar quarter with a consolidated value greater than \$100,000. Fees calculated on additional deposits will be pro-rated based upon the number of days in the calendar quarter during which CFC managed the deposited funds or assets.

Similarly, CFC shall calculate a fee or credit on any non-recurring withdrawals during a quarter with a consolidated value greater than \$100,000. This fee credit will be issued at the end of the then current quarter and applied to the next quarterly fee. No fee adjustments will be made for Account appreciation or depreciation.

Standard Management Agreement

Compass Financial Consulting, LLC

Portfolio Balance	Quarterly Rate	Annualized Rate
< \$500,000	0.25%	1.00% *
First \$1,500,000	0.1875%	0.75%
Next \$3,500,000	0.1250%	0.50%
Assets over \$5,000,000	0.075%	0.30%

*Accounts less than \$500,000 will be charged a one-time \$300 account set up fee in addition to the percentage based fee, unless client is participating in other planning services and paying a planning fee. Further, you may be required to enter into a financial planning engagement letter with CFC and pay a quarterly planning consulting fee of at least \$1,250 per quarter. The quarterly planning consulting fee will be reduced by the quarterly asset management fee. The fee will be deducted direct from your managed account.

Coordinated Management Agreement

Portfolio Balance	Quarterly Rate	Annualized Rate
First \$1,000,000**	0.2500%	1.00%
Next \$500,000	0.1875%	0.75%
Next \$3,500,000	0.1250%	0.50%
Assets over \$5,000,000	0.075%	0.30%

**Managed portfolios less than \$1,000,000 may require you to execute a separate engagement letter for financial planning consulting services. You will be charged a quarterly planning consulting fee of at least \$1,250 per quarter. The quarterly planning consulting fee will be reduced by the quarterly asset management fee. The fee will be deducted direct from your managed account.

Your advisory fee is calculated using the following formula:

$$\text{Account value} \times (\text{annual fee \%} / 4) = \text{your quarterly fee}$$

CFC may change the above fee schedule upon 30-days prior written notice to you.

All fees paid to CFC for services are separate and distinct from the fees and expenses charged by mutual funds (described in each fund's prospectus) to their shareholders. Mutual funds pay advisory fees to their managers and such fees are therefore indirectly charged to holders of mutual fund shares, if you have mutual funds in your portfolio you are effectively paying both CFC directly and the mutual fund manager indirectly for the management of the assets. In addition, mutual funds charge transaction fees for securities transactions executed in your account in accordance with the custodian's transaction fee schedule. Additionally, you may pay fees for custodial services, account maintenance fees, transaction fees, and other fees associated with maintaining the Account. Such fees are not charged by CFC and are charged by the product, broker/dealer or account custodian. CFC does not share in any portion of such fees. Additionally, you may pay your proportionate share of the fund's management and administrative fees and sales charges as well as the mutual fund adviser's fee of any mutual fund they purchase. Such advisory fees are not shared with CFC and are compensation to the fund-manager. You should review all fees charged by mutual funds, CFC and others to fully understand the total amount of fees you will be responsible for paying.

CFC's fees will be collected directly from your account. You will provide authorization for CFC to deduct its fees from your account by execution of the management agreement. If the Account does not contain sufficient funds to pay advisory fees, CFC has limited authority to sell or redeem securities in sufficient amounts to pay advisory fees. You may reimburse the account for advisory fees paid to CFC, except for ERISA and IRA accounts. You will receive a statement direct from the account custodian at least quarterly reflecting the deduction of the fee.

Termination Provisions

You may terminate investment advisory services obtained from CFC, without penalty, upon written notice within five (5) business days after entering into the advisory agreement with CFC. You will be responsible for any fees and charges incurred from third parties as a result of maintaining the Account such as transaction fees for any securities transactions executed and Account maintenance or custodial fees. Thereafter, you may terminate investment advisory services upon CFC's receipt of your written notice to terminate. As previously stated, you will be refunded a prorated portion of prepaid fees.

Asset Allocation Services "Convenience Accounts"

You will be charged a quarterly fee in advance of each calendar quarter. The fee is negotiable. Fees will range from \$250 to \$1,500 per calendar quarter. The fee you will pay will be determined based on several factors including amount of assets under management, financial planning and consulting fees you are paying, number of convenience accounts, type of service (i.e. convenience account or convenience-asset allocation account), complexity of the account(s), and special requests or services, size of the accounts. You will be quoted a fee and the fee will be outline in the agreement executed by you and CFC.

The fee will be added to the quarterly management fee and withdrawn direct from an account or accounts you specify.

Termination Provisions

You may terminate services obtained from CFC, without penalty, upon written notice within five (5) business days after entering into the advisory agreement with CFC. You will be responsible for any fees and charges incurred from third parties as a result of maintaining the Account such as transaction fees for any securities transactions executed and Account maintenance or custodial fees. Thereafter, you may terminate investment advisory services upon CFC's receipt of your written notice to terminate. You will be refunded a prorated portion of prepaid fees.

Financial Planning and Consulting

You should expect to pay a planning fee the first year of working with CFC. You are advised that fees for planning services are strictly for planning services. Therefore, you may pay fees and/or commissions for additional services obtained such as asset management or products purchased such as securities or insurance.

Fees are negotiable. Your fees will be dependent on several factors including time spent with CFC, number of meetings, complexity of your situation, whether services are a yearly engagement or a

Compass Financial Consulting, LLC

one-time planning engagement, amount of research, services requested and staff resources. You will be billed on either a fixed-fee basis or at a standard hourly rate for the Phase I or Phase II planning services. At the time of engagement you will be quoted a fixed fee for all or part of the services described above. If you also utilize CFC's investment management services you may authorize CFC to deduct your financial planning fees as well as any other CFC advisory fees directly from your investment account. In all cases the fee arrangement is described in your client engagement letter.

Fee Type	Fee	Payable
Fixed Fee	\$3,000 to \$15,000	Payable one-half (1/2) upon execution of the advisory agreement with CFC and the balance due at the time of presentation of the plan, unless otherwise negotiated with you.
Hourly Fee	Up to \$200 per hour	Payable at the end of each month based upon time spent by CFC.
Ongoing Planning Consulting Fee	\$1,250 to \$5,000 per quarter	Payable quarterly in advance. The fee will be deducted direct from your managed account.

One-half of the fee for Phase I financial planning services is due upon execution of the agreement and the balance due upon presentation. Phase II ongoing implementation and monitoring will be billed on a quarterly basis. Other fixed and hourly financial planning fees may be billed in advance or arrears, depending on the arrangements made with you.

Termination Provisions

You may terminate advisory services obtained from CFC, without penalty, upon written notice within five (5) business days after entering into the advisory agreement with CFC. Thereafter, either CFC or you may terminate upon written notice delivered to the other party. In the event of termination, any paid but unearned fees will be promptly refunded to you. In the event of termination, a fee for the development and delivery of any plan shall be deemed earned in an amount computed by multiplying by \$150 times the number of hours spent in development, not to exceed the total fee quoted to you. Any refunds for fees paid in advance for implementation and monitoring will be calculated based on a proportion of the number of days from the beginning of the term to and including the termination date. In the event of termination by CFC, a fee for the development and delivery of any plan shall be deemed earned only upon delivery (or attempted delivery) of the plan to you.

General Fee Information

Travel Expenses – You will pay reasonable travel expenses actually incurred by CFC.

Tax Preparation – Any fee charged for tax preparation is separate from and in addition to the advisory fees charged by CFC.

Performance-Based Fees and Side-By-Side Management

This section is not applicable to CFC since CFC does not charge performance based fees.

Types of Clients

CFC's services are geared toward individuals both high net worth (i.e. clients with a net worth of \$1,500,000) and other than high net worth.

CFC generally requires a minimum amount of assets for you to participate in CFC's asset management services. The minimum account requirements apply to a total managed portfolio and not per account. Minimum account requirements are as follows:

Standard Management	\$500,000
Coordinated Management	\$1,000,000

However, under certain circumstances, CFC may waive the minimum account size requirements and accept accounts less than the stated minimums. Such circumstances may include but not be limited to additional assets that will soon be deposited, you have other accounts under management with CFC, or you agree to pay a minimum quarterly planning consulting fee. You are advised additional fees may apply as disclosed under the Asset Management Services section above.

You are advised performance may suffer due to difficulties with diversifying smaller accounts and due to risk controls potentially being compromised. Performance of smaller accounts may vary from the performance of accounts with more dollars invested due to fluctuations in the market may affect smaller accounts more since the account may not be able to be diversified according to the model portfolio.

Methods of Analysis, Investment Strategies and Risk of Loss

CFC believes that if your time horizon is greater than three to five years, you should accept some of the volatility risks of the stock market. If your financial needs and investment time horizon is fewer than three to five years, CFC believes you should invest in ways that seeks to minimize risk.

Our investment strategy will utilize various asset classes based on our assessment of the risk and return potential specific to each asset class at any point in time. Our assessment of these risks and returns will be reflected in a "core-satellite" approach. The core of the portfolio is built on the premise that properly diversified exposure to various asset classes provides an investor the best potential for a rewarding long-term return. The satellite portion of the portfolio is designed to address certain cyclical investment and economic themes identified by CFC. By addressing these themes, CFC seeks to improve returns and/or lower the risk of the portfolio.

The Core Allocation

Academic research indicates that the decision of how to allocate assets among various asset classes in a diversified portfolio will far outweigh individual security selections and market timing.

The Satellite Allocation

The Satellite portion of the portfolio is designed to address economic and investment themes as identified from time to time during CFC's investment research process. As opposed to the secular and long-term view of the Core, you can expect investments made in the satellite portion to be focused on cyclical and intermediate trends and opportunities. The purpose of addressing these themes is to improve the portfolio's risk and return characteristics. There are no diversification parameters within the Satellite except that no individual security position in the satellite shall represent more than 10% of the overall portfolio (core + satellite). This restriction does not apply to securities that invest in multiple other securities (i.e. mutual funds, ETFs).

You are advised the themes and the corresponding satellite allocation may change from time to time at the discretion of CFC.

Selection/Retention Criteria for Investments

Securities shall be chosen using the following criteria:

- Past performance, relative to other investments having similar investment objectives and relative to appropriate benchmarks (if available and applicable). Consideration shall be given to both performance rankings over various time frames and consistency of performance.
- Consistency of investment style and investment process.
- Length of time the investment strategy has been in existence and tenure of the current manager(s) and whether or not there have been material changes in the manager's organization, personnel, and process.
- Costs relative to other investment strategies with similar objectives and investment styles.
- The historical volatility and statistical downside risk of each proposed investment.
- How well each proposed investment complements other assets in your Portfolio.
- Total assets of the proposed investment strategy relative to its asset class.
- Organizational reputation.
- The perceived honesty and candor of the investment manager when communicating with investors.
- The experience, education, and background of the key people involved in the investment process.
- The visible alignment of interests between the investment manager and investors as evidenced by the investment manager and its employees investing their own money in the investment strategy.

As part of our due diligence process, securities in your portfolio will be evaluated on an ongoing basis. They will be replaced if comparisons to the above criteria become less favorable in light of available alternatives. However, consideration will be given to allow the security reasonable periods of time to perform. Even the best securities, managers and strategies will not perform well all the time. Consequently, we expect that some portion of the Portfolio will seem to be underperforming.

CFC does not represent, warrant or imply that the services or methods of analysis used by CFC can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to major market corrections or crashes. Past performance is no indication of future performance. No guarantees can be offered that your goals or objectives will be achieved. Further,

no promises or assumptions can be made that the advisory services offered by CFC will provide a better return than other investment strategies.

As stated above, CFC primarily uses mutual funds. The risks with mutual funds include the costs and expenses within the fund that can impact performance, change of managers, and fund straying from its objective. Open ended mutual funds do not typically have a liquidity issue and the price does not fluctuate throughout the trading day. CFC also uses individual equities and fixed income securities. The risk with these securities is their value is market driven and fluctuates from moment to moment. Further, the liquidity of the security is dependent on a market being available.

CFC may aggregate (“bunch”) transactions in the same security on behalf of more than one client in an effort to strive for best execution and to possibly reduce the price per share and/or other costs to clients. However, aggregated or bunched orders will not reduce the transaction costs to participating clients. CFC conducts aggregated transactions in a manner designed to ensure that no participating client is favored over another client. Participating clients will obtain the average share price per share for the security executed that day. To the extent the aggregated order is not filled in its entirety and when possible, securities purchased or sold in an aggregated transaction will be allocated pro-ratably to the participating client accounts in proportion to the size of the orders placed for each account. Under certain circumstances, the amount of securities maybe increased or decreased to holding odd-lot or a small number of shares for particular clients.

You are advised investing in securities involves risk of loss, including the potential loss of principal. Therefore, your participation in any of the management programs offered by CFC will require you to prepare to bear the risk of loss and fluctuating performance.

Disciplinary Information

There is no reportable disciplinary information required for CFC or its advisory representative.

Other Financial Industry Activities and Affiliations

Kenneth Howard Bridges is a Certified Public Accountant and is a Partner in the accounting firm, Bridges & Dunn-Rankin, LLP. Additionally, Kevin Scott Krause and John Daniel Bochniak are partners in Bridges & Dunn-Rankin, LLP. You are under no obligation to utilize the accounting services offered by Kenneth Bridges or Bridges & Dunn-Rankin, LLP. However, if you do engage the accounting services of Bridges & Dunn-Rankin, LLP you will pay a fee separate from the fees paid to CFC.

On a limited basis, CFC prepares and files federal and state income tax returns. Tax preparation is not offered to all clients and is not CFC’s main business. CFC is not an accounting firm. Tax returns may be prepared by an employee of CFC who is not a Certified Public Accountant. However, only enrolled agents will participate in tax return preparation. CFC considers the following factors to determine if complimentary tax services will be provided: size of your managed portfolio and complexity of your return. CFC will only consider simple returns.

CFC attempts to mitigate the conflicts of interest with the potential receipt of commissions if recommendations are implemented by providing you with these disclosures. Further, you are encouraged to consult other professionals and may implement recommendations through other financial professionals.

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

CFC and its associated persons may buy or sell securities identical to those securities recommended to you. Therefore, CFC and/or its associated persons may have an interest or position in certain securities that are also recommended and bought or sold you. CFC and its associated persons will not put their interests before your interest. CFC and its associated persons may not trade ahead of you or trade in such a way to obtain a better price for themselves than for you or other clients.

CFC is required to maintain a list of all securities holdings for its associated persons and develop procedures to supervise the trading activities of associated persons who have knowledge of your transactions and their related family accounts at least quarterly. Further, associated persons are prohibited from trading on non-public information or sharing such information.

You have the right to decline any investment recommendation. CFC and its associated persons are required to conduct their securities and investment advisory business in accordance with all applicable Federal and State securities regulations.

Code Of Ethics

CFC has a fiduciary duty to you to act in your best interest and always place your interests first and foremost. CFC takes seriously its compliance and regulatory obligations and requires all staff to comply with such rules and regulations as well as CFC's policies and procedures. Further, CFC strives to handle your non-public information in such a way to protect information from falling into hands that have no business reason to know such information and provides you with CFC's Privacy Policy. As such, CFC maintains a code of ethics for its Advisory Representatives, supervised persons and staff. The Code of Ethics contains provisions for standards of business conduct in order to comply with federal securities laws, personal securities reporting requirements, pre-approval procedures for certain transactions, code violations reporting requirements, and safeguarding of material non-public information about your transactions. Further, CFC's Code of Ethics establishes CFC's expectation for business conduct. A copy of our Code of Ethics will be provided to you upon request.

Brokerage Practices

CFC participates in the TD Ameritrade Institutional program. TD Ameritrade Institutional is a division of TD Ameritrade, Inc. ("TD Ameritrade") member FINRA/SIPC. TD Ameritrade is an independent and unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers to independent investment advisers services which include custody of securities, trade

execution, clearance and settlement of transactions. As discussed below, CFC receives some benefits from TD Ameritrade through its participation in the program.

There is no direct link between CFC's participation in the program and the investment advice it gives to you, although CFC will receive economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving adviser participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to CFC by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by CFC's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit a CFC but may not benefit its client accounts. These products or services may assist CFC in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help CFC manage and further develop its business enterprise. The benefits received by CFC or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, CFC endeavors at all times to put the interests of its clients first. You should be aware, however, that the receipt of economic benefits by CFC or its related persons in and of itself creates a potential conflict of interest and may indirectly influence CFC's choice of TD Ameritrade for custody and brokerage services.

In initially selecting TD Ameritrade, CFC conducted due diligence. CFC's evaluation and criteria included ability to service you, staying power as a company, industry reputation, ability to report to you and to him, trading platform, products and services available, technology resources, and educational resources.

Periodically, CFC will review alternative broker/dealers and custodians in the marketplace to ensure TD Ameritrade and its custodians are meeting CFC's duty to provide best execution for your accounts. The review will include a comparison to TD Ameritrade which involves evaluating criteria such as overall expertise, cost competitiveness and financial condition. The quality of execution by TD Ameritrade will be reviewed through trade journal evaluations. However, best execution does not simply mean the lowest transaction cost. Therefore, no single criteria will validate nor invalidate a custodian, but rather, all criteria taken together will be used in evaluating the currently utilized custodian.

You are advised there is an incentive for CFC to recommend TD Ameritrade over another custodian and/or broker/dealer based on the products and services that will be received rather than your best interest.

Review of Accounts

Financial Planning and Consulting Services

Generally, you will be met with from one to four times per year. For certain engagements, there is a meeting and review in either the beginning or the end of the year for cash flow and tax planning. Meetings may also occur during the year to review goals, the estate plan, budget and investment strategy. Other meetings will be held as necessary and at your request. The frequency and type of meetings depend upon the nature of the engagement such as coordinated financial planning engagement, a one-time financial plan, an investment advisory only engagement, complexity of the case, etc.

Asset Management Services

Managed accounts are reviewed at least quarterly. In addition, you will be offered an opportunity to participate in an annual review to discuss account performance in light of the stated investment objectives, a discussion of the investment strategies currently being executed, as well as a formal review and reappraisal of your investment objectives.

You are advised that you must notify your Advisory Representative promptly of any changes to your financial goals, objectives or financial situation as such changes may require him review the portfolio allocation and make recommendations for changes. Changes to your financial situation will likely trigger a review to reassess your investment objectives, goals and risk tolerance.

You will be provided statements at least quarterly direct from the account custodian. Additionally, you will receive confirmations of all transactions occurring direct from the account custodian. At least annually, or when you attend the annual review, CFC will provide you with a consolidated report of your managed account and any convenience accounts maintained at TD Ameritrade. You should compare the report with statements received direct from the account custodian. Should there be any discrepancy the account custodian's report will prevail.

Client Referrals and Other Compensation

CFC does not compensate any person or entity for referring business to CFC.

Please refer to the disclosure under Brokerage Practices regarding the benefits CFC receives from TD Ameritrade.

Custody

With the exception of deduction of CFC's advisory fees from your accounts, CFC does not take custody of your funds or securities.

Investment Discretion

Unless an exception is made by CFC, you will grant CFC authorization to manage your account on a discretionary basis by execution of the management agreement. Termination of discretionary authorization will result in termination of CFC's management services.

You are advised that:

- 1) You may set parameters with respect to when account should be rebalanced and set trading restrictions or limitations;
- 2) Your written consent is required to establish any brokerage account;
- 3) With the exception of deduction of CFC's advisory fees from the account, if you have authorized automatic deductions, CFC will not have the ability to withdraw your funds or securities from the account without your prior authorization.

Voting Client Securities

CFC does not vote your securities.

Financial Information

CFC will not require you to prepay more than \$1,200 and six or more months in advance of receiving the advisory service.

Requirements for State Registered Advisers

This section is not applicable to CFC. CFC is not state registered. CFC is registered with the Securities and Exchange Commission.