

Conservativemoney LLC

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Firm Brochure

(Part 2A of Form ADV)

This Brochure provides information about the qualifications and business practices of Conservativemoney LLC. If you have any questions about the contents of this Brochure, please contact us at 216-251-2100 or by email at: info@conservativemoney.com. The information in this brochure has not been approved or disapproved by the Securities and Exchange Commission, or by any state securities authority, nor has any regulatory authority verified this document as truthful or complete. Any representation to the contrary is a criminal offense.

Conservativemoney LLC is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser. Additional information about Conservativemoney LLC also is available on the United States Securities and Exchange Commission'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

On July 28, 2010, the United State Securities and Exchange Commission (“SEC”) published “Amendments to Form ADV” which amends the disclosure document that Advisor provides to Clients as required by SEC Rules. This Brochure dated 12.31.2011 is a new document prepared according to the SEC’s new requirements and rules. As such, this Document is materially different in structure and requires certain new information that our previous brochure did not require.

In the future, this Item will discuss only specific material changes that are made to the Brochure and provide Clients with a summary of such changes. Advisor will also reference the date of our last annual update of our brochure.

In the past, Advisor has offered or delivered information about our qualifications and business practices to Clients on at least an annual basis. Pursuant to new SEC Rules, Advisor will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. Advisor may further provide other ongoing disclosure information about material changes as necessary. Advisor will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Full Brochure Available

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: (216) 251-2100 or by email at: info@conservativemoney.com. This Brochure is also available on our web site www.conservativemoney.com also free of charge.

Table of Contents: Conservativemoney LLC Part 2A of Form ADV

Cover Page	i
Material Changes	ii
Annual Update	ii
Material Changes Since the Last Update	ii
Full Brochure Available	ii
Table of Contents.....	TOC
Advisory Business	1
Firm Description & Principal Owners.....	1
Types of Advisory Services Provided.....	1
Fees and Compensation	3
Description	3
Investment Management.....	3
Fee Billing	5
Other Fees	6
Past Due Accounts and Termination of Agreement	6
Compensation for Sales of Investment Products	6
Performance-Based Fees and Side-By-Side Management	7
Sharing of Capital Gains	7
Types of Clients	7
Description	7
Methods of Analysis, Investment Strategies, and Risk of Loss	7
Methods of Analysis	7
Investment Strategies	7
Risk of Loss	8
Disciplinary Information	9
Legal and Disciplinary	9
Other Financial Industry Activities and Affiliations	10
Activities	10
Affiliations	10
Code of Ethics	10
Code of Ethics.....	10
Participation or Interest in Client Transactions	11
Brokerage Practices	11
Selecting Brokerage Firms and Soft Dollar benefits.....	11
Directed Brokerage	12
Review of Accounts	12
Regular Reports.....	12
Periodic Reviews.....	12
Review Triggers	12
Client Referrals and Other Compensation	13
Incoming Referrals	13
Referrals to Other Professionals	13
Custody	13
Account Statements	13
Statements Provided by Advisor	13
Investment Discretion	14
Discretionary Authority for Trading	14
Limited Power of Attorney	14
Voting Client Securities	14
Proxy Votes	14
Financial Information	14
Financial Condition	14
Brochure Supplement (Part 2B of Form ADV)	15

Advisory Business

Firm Description and Principal Owners

On March 6, 1992 the Security and Exchange Commission granted registration as an Investment Advisor to Thomas P. Fayen, the Managing Member and founder of Conservativemoney LLC (“Advisor”). The goal of the Advisor is to increase the value of our Client’s assets.

Types of Advisory Services Provided

The “primary” type of service the Advisor provides is an investment supervisory and management service. Advisor monitors daily the conservative portion of Client’s assets and adjust their account positions by employing a combination of risk management disciplines: Active, discretionary, long/short/cash, and tactical asset allocation based upon technical analysis. Advisor defines the terms used above, (hopefully in plain English) as:

Active: Investors typically employ some type of asset management style; the two most common management styles are called Passive (the most popular) and Active (which is less popular, and is the type of analysis the Advisor employs).

The currently most popular Passive asset management theory is commonly referred to as “buy and hold”. In short, this theory is based upon the concept that the Investor should buy multiple non-correlated assets that mimic the performance of an index, and hold (not sell it) the asset for the “long-term” and have little concern about the asset’s “short term” price fluctuations. Advisor refers to this theory as “buy and hope”, because in our opinion, the Investor is simply buying an asset and hoping that asset goes up over time.

The currently less popular Active asset management theory does not accept “hoping” as an appropriate risk management tool. Active investment advisors do not hold assets over the “long term”. Active advisors buy and sell asset positions based upon informed independent investment judgment. Active managers, as the name states, may sell a position if the asset’s price increases so much so that the manager deems it prudent to profit take from the entry price, or if the asset’s price decreases so much so that the manager deems it prudent to invoke a stop loss to avoid further erosion of an account from the asset’s price. As it specifically related to our services, an Active bond money manager will buy and sell bonds, as opposed to a Passive bond money manager who will hold bonds until maturity.

Discretionary: Discretion is when someone other than the Investor is allowed to make decisions on behalf of the Investor of what asset to buy, when to buy an asset, and how much of an asset to buy, without notifying the Investor of every transaction. With our Clients, discretion is not a general, but a severely limited power specifically spelled out in our advisory agreement. Under no circumstances will Advisor ever hold or custody any amount of any of our Clients assets.

Long/short/cash: The allocations a manager can take – in this case the manager is allowed to own from 0% to 100% of the assets: cash money market, a long position (“own” the asset), or a short position (the inverse of a long position).

Tactical Asset Allocation: A portfolio strategy whose goal is to capitalize on changing asset price trends and outlooks. Typically involves adjusting (“re-allocate” or “sell”) an asset class that the advisor determined is depreciating or overbought, and then adjusting those proceeds (“re-allocate” or “buy”) a different asset class that the advisor determined is appreciating or oversold. “Tactical” managers may even recommend that the Investor keep 100% of their assets in short-term cash money market securities (or not own any investment vehicles) with the goal to provide you with liquidity and to protect your investment from potential price deterioration.

This is very different than the currently more popular “strategic” asset allocation manager who typically recommends Investors buy and hold many different types of non-correlated investments. This typically results in the investor owning a “diversified pie” of assets that have been “strategically” recommended by the asset allocation manager.

Technical Analysis: Investors typically employ some type of the many different kinds of analysis available in the hope of guesstimating future asset price movements. The two most common types of analysis are called fundamental (the most popular), and technical (which is less popular, and is the type of analysis that this Advisor uses).

The more popular fundamental analysis believe that an asset’s “fundamental information” (income statement, balance sheet, company management, cash reserves, sales growth, net revenue, earnings, advantage over competitors, etc.) are indicators of its future value. Their goal is to identify an asset that has “fundamental information” advantages over other assets, and will take positions in those assets to hopefully profit from their research.

Technical analysts (also known as “technicians” or “chartists”) believe that the current price (historical factually measurable statistical information) reflects all information known about an asset. Technicians use charts and graphs based upon historical price information to try to identify current asset trends and price. Technical analysis buy and sell signals are based upon price patterns that have occurred in the past that may repeat themselves, and their goal is to take positions in assets that are most like to profit from the identified trends and patterns.

Almost all of the assets Advisor manage for our Clients are invested in investment company securities based upon bond indexes. Because historically bonds are more conservative than stocks, commodities, real estate, and options, Advisor have chosen to use the name “Conservative money” because the money that Advisor manages for our Clients is usually the conservative portion of their assets, also called “serious” money, as opposed to their “fun” money, which is typically managed more aggressively. Investors who would describe themselves as “conservative” tend to be, in general, over age 55. Most people over age 55 have the bulk of their net worth invested in retirement accounts. Retirement assets, for the most part, tend to be more conservatively managed than personally owned assets.

The “non-primary” type of service provided by the Advisor is as a consultant to business and personal retirement planning alternatives (ERISA cases) and personal retirement income planning (IRA/Required minimum distribution cases, and retirement income planning cases), which affect every investor at age 70 ½. Thomas P. Fayen has over 20 years of experience, formal training, and has given continuing educational courses to accountants and attorneys that cover these retirement related topics.

While it is important that you know what Conservativemoney LLC does, we think that it is just as important to know what we do NOT do. Advisor does not consider the firm to be a financial planning practice because (1) there is no uniform definition of the services that a “financial planner” provides and (2) we are “retirement asset management” specialists when compared to the broad spectrum of services that investment advisors’ encompass.

Advisor strongly encourage our Clients' employ other independent counselors who are insured for their specialization of practice. Advisor may recommend other professionals (e.g., lawyers, accountants, insurance agents, real estate agents, etc.) at the request of the Client. Other professionals are engaged directly by the Client on an as-needed basis even when recommended by the Advisor. Conflicts of interest, in the extremely unlikely event that they were to occur, will be disclosed to the Client and all activity is to be managed only with the best interest of the Client in mind.

We will happily prove to you our competence as it pertains to our knowledge of taxation relating to retirement plans, IRA's, and investments, but we strongly recommend that our Clients employ the services of a fully licensed, bonded, and insured CPA to prepare all tax documents and provide an independent voice about the services, compensation, and performance of Advisor.

Advisor will happily prove to you our competence as it pertains to our knowledge of law relating to retirement plan sponsor liability, investment policy, participant distributions, IRA transfer and distributions, etc., but we strongly recommend that our Clients employ the services of a fully licensed, bonded, and insured Attorney to prepare all legal documents and provide an independent voice about the services, compensation, and performance of Advisor.

Advisor has served Clients who are Pension and profit sharing Retirement Plans, High net worth individuals, revocable trusts, irrevocable trusts, IRA's, Beneficiary IRA's, Roth IRA's, Charitable organizations, and Foundations.

Advisor performs continuous and regular investment supervisory functions to securities portfolios (including research). All of the assets managed by Advisor are discretionary and the amount of assets under management on December 31, 2010 was \$34,000,000. There are no other business names this firm uses. There are no other offices other than the principal office in Cleveland, Ohio where our books and records are located. Our website address is www.conservativemoney.com. Advisor only deal within the United States thus we are not registered with any Foreign Financial Regulatory Authority. Advisor is not a newly formed advisor. There are no other firms or other persons who solicit advisory Clients on behalf of the firm.

Fees and Compensation

Description

Initial Investor meetings are generally free of charge. Advisor initially reviews the investment portfolio of the Investor. Investor's financial wants and objectives are determined based upon discussions with Investor and his or her other professional advisors. Investment risks associated with various asset classes and our services, as well as the cost of the services, are explained to the Investor.

If the Investor is interested in having Advisor manage all or some of their assets (Investor becomes a "Client"), the Client instructs Advisor which service they want us to perform on their behalf. Advisor will agree to perform these services if we determine that the service is consistent with the client's objectives and risk tolerance.

Investment Management Services

The specific manner in which fees are charged is spelled out in the Client's written agreement with Advisor, called the "Engagement of Registered Investment Advisor". All fees are negotiable. The terms of payment by the Client who engages the Advisor can be one of three alternatives (all alternatives are payable in arrears after services are rendered):

1. A \$125.00 hourly consulting rate with a maximum hour and dollar amount that is determined before or at the time the engagement is signed. Advisor is not responsible for making any trades for the Client.
2. An flat annually renewable Advisory Fee based upon 2% of the assets under management as of 12/31 of the previous year, rounded to the nearest \$100, for the Advisor to place trades on behalf of Client wherever the Client custodies their assets.
3. A flat annually renewable Advisory Fee based upon 1% of assets under management on 12/31 of the previous year, rounded down to the nearest \$100, for the Advisor to place trades on behalf of Client. The fee is waived if the net total return to the Client is less than 4% per year (the "hurdle rate" is 4% annually).

If Client elects alternative #3, the Client will receive a 50% reduction in the normal fee only if the client elects to have their assets invested in ProFunds Service Class Funds or a Prudential Variable Annuity contract. The fee is waived if the hurdle rate net total return of 4% is not reached annually and the client elects to use Financial Network Investment Corporation, Inc. as their Broker Dealer and Thomas P. Fayen as their registered representative.

The Client directs the Advisor to place any brokerage trades or fund purchase transactions through a Broker Dealer. Advisor may suggest underlying investments and/or mutual fund families and/or variable annuity contracts to be used. Underlying assets may be load or no-load. Every Investor who owns mutual fund or variable annuity assets pay a direct advisory fee (and other charges) to the company sponsoring the product and may pay an advisory fee to the Advisor, thus Clients may be paying two levels of management fees, for the management of their assets which results in the reduction in the net value of the Client's assets in the account. The Client hereby authorizes the Advisor to affect transactions between and among funds in accordance with the signals and opinion of the Advisor. Any and all fees charged by custodian or company for transactions should be deducted from the proceeds before reinvestment. The Advisor may affect transactions from one set of funds to another upon signed approval of the Investment Advisory Agreement by the Client. Advisor provides no guarantees and Client recognizes that there is no assurance of accuracy as to the Advisors buy and sell signals and opinions and that any market gains and losses or unrealized gains and losses resulting from the timing of transactions are normal market risks and the risk of the Client. The agreement authorizes the right of the Advisor to effect the said transactions and conversions for the Client or for the benefit of the Client through the appointed Custodian or any other entity that may hold or has the assets registered in its nominee name for the benefit of the account of the Client. The function of the Advisor is to provide analysis, research, interpretation, and judgment as to the asset decisions and selections that the Advisor deems appropriate within the Client's predetermined limits, all within the Agreement parameters. The Managing member of Conservativemoney LLC is Thomas P. Fayen who is an investment advisor representative of Conservativemoney LLC and a registered representative who makes recommendations on various investments acting as an independent contractor affiliated with Financial Network Investment Corporation, Inc. which is both an Investment Advisor and Broker-Dealer whose SEC file number is 801-029577, and CRD Number is 13572. Thomas P. Fayen can and may sell products or provide services other than investment advice to Conservativemoney LLC advisory Clients. If the Client chooses to implement the advice of Advisor through the investment advisor representative Thomas P. Fayen, he may also be acting as a registered representative of Financial Network Investment Corporation, Inc. Mr. Fayen may be paid a sales commission and/or 12(b) 1 fees from some investment companies through the broker/dealer Financial Network Investment Corporation, Inc.

If the Client selects the broker/dealer Financial Network Investment Corporation, Inc. and Thomas P. Fayen as the Registered Representative to implement recommendations (although the Client is free to select any broker/dealer they wish to), there may be a conflict of interest since Thomas P. Fayen could earn fees as an investment advisor representative of Conservativemoney LLC and he could also earn commissions as a Registered Representative of the Broker Dealer Financial Network Investment Corporation, Inc. and may give Thomas P. Fayen an incentive to recommend investment products based upon the compensation received, rather than on a Client's needs. Financial Network Investment Corporation has a wide range of approved securities products for which it has performed due diligence in selection. Thomas P. Fayen, as a Financial Network Investment Corporation registered representative, is required to provide only these approved securities products when implementing securities transactions. Clients have the option to obtain these approved securities products that Thomas P. Fayen recommends, as well as other suitable products, elsewhere through other brokers and or at another Broker Dealer that are not affiliated with Thomas P. Fayen, and may even be able to obtain them at a lower cost. Thomas P. Fayen's revenue from advisory Clients may be primarily or exclusively from commissions, asset-based distribution fees from the sale of mutual funds, and other compensation for the sale of investment products he recommends to Conservativemoney LLC Clients. Because these conflict may arise, which is disclosed on the "Engagement of Registered Investment Advisor" agreement, Advisor offers: (1) a discount of 50% off the normal asset management fee and (2) to waive the asset management fee if the net total return to the Client is less than 4% per year (the "hurdle rate" is 4% annually) if certain products are purchased through the Broker Dealer Financial Network Investment Corporation, Inc. and Thomas P. Fayen, as a Financial Network Investment Corporation registered representative.

Fee Billing

Our fees are charged arrears and due calendar year annually or upon completion of the agreement. Clients will be billed directly for fees and if they elect to authorize Advisor to directly debit fees from Client accounts, you must provide us those instructions separately for each bill. Management fees are not prorated for each capital contribution and withdrawal made during the applicable calendar year. Accounts initiated or terminated during a calendar year may or may not be charged a fee depending upon which billing and service is selected. Upon termination of any account, any earned, unpaid fees will be due and payable if appropriate.

Advisor may solicit and establish agreements and services with third party money managers offering a wide range of advisory services including asset allocation, market timing and portfolio management offered through Financial Network Investment Corporation, Inc. If the Client selects a money manager recommended by the Advisor based upon the client's needs, the Clients should be aware that the solicitor or sub-advisor fees paid to Advisor differ among recommended money manager programs. There are conflicts of interest that may affect the independent judgment of the Advisor in the recommendation of one money manager program over another. Advisor will be compensated by a solicitor's fee or sub-advisor fee paid to Advisor by the recommended money manager. If Advisor uses a Financial Network Investment Corporation money manager, Financial Network Investment Corporation will receive a portion of the solicitor fee, a marketing override and/or an administrative fee for providing administrative and marketing services. Financial Network Investment Corporation, Inc. is responsible for supervising the registered representative and require that he remain in compliance with all rules and regulations of Financial Network Investment Corporation, Inc. and all governing bodies when acting in this capacity. Financial Network Investment Corporation, Inc. is in no way affiliated with Conservativemoney, LLC and any advice or action taken pursuant to this agreement is strictly the responsibility or obligation of Advisor and no responsibility or obligation of Financial Network Investment Corporation, Inc.

Item 12 further describes the factors that Advisor considers in selecting or recommending broker-dealers for Client transactions and determining the reasonableness of their commissions or other types of compensation.

Other Fees

Conservativemoney LLC fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses that may be incurred by the Client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Custodians may charge transaction fees on purchases or sales of certain mutual funds, stocks, bonds, and exchange-traded funds. These transaction charges are usually relatively small and are incidental to the purchase or sale of a security. In some cases, custodians also charge monthly, quarterly or annual custody fees. Fees for custody are disclosed to Clients when this type of arrangement is recommended.

Mutual funds and exchange traded funds generally charge a management fee for their services as investment managers, which are disclosed in the fund's prospectus. The management fee is included in the expense ratio. Mutual fund fees also include transaction charges for the purchase or sale of securities within the fund and may charge other fees as disclosed in the fund prospectus. Such charges, fees and commissions are exclusive of and in addition to Advisor's fee, and Advisor does not receive any portion of these commissions, fees, and costs.

Past Due Accounts and Termination of Agreement

Advisory services shall remain in force and effect until such time as either party receives written notice from the other party of his or its desire to cancel the services. Fees shall be accrued to the date of the receipt of such notice. Upon receipt by the Advisor of written notice of the cancellation of this agreement (or if Client ceases to exist, the legal representative of the Client), Advisor shall complete the outstanding obligations and commitments made on behalf of the Client, but Advisor shall not make any new commitments or undertake any additional obligations on behalf of the Client.

Advisor reserves the right to stop work for any Client who has a fee more than 90 days overdue. In addition, Advisor reserves the right to terminate any engagement where a Client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate to providing proper financial advice, per the judgment of Advisor.

Compensation for Sales of Investment Products

The firm's compensation is solely from fees paid directly by Clients. The firm does not receive commission based on the Client's purchase of any financial product, including insurance. No commissions in any form are accepted. No referral fees are paid or accepted. No benefits are received from custodians/broker-dealers based on Client securities transactions ("soft dollar benefits") Fees charged by Advisor are subject to negotiation, and no fee under any circumstances is ever based upon a share of capital gains or capital appreciation of the assets or any portion of the assets of the Client.

Performance-Based Fees and Side-By-Side Management

Sharing of Capital Gains

Advisor does not use under any circumstances a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create a potential conflict of interest because it may give incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client. However, the nature of asset based sensitive fees allows Advisor to participate in the growth of the client's wealth. This also means that the Advisor's fee can decline when the Client's portfolio declines in value. No fee under any circumstances is ever based upon a share of capital gains or capital appreciation of the assets or any portion of the assets of the Client. There is no performance based fees and no side-by side management of any asset.

Types of Clients

Description

Advisor has served Clients who are Pension and Profit Sharing Retirement Plans, High Net Worth individuals, revocable trusts, irrevocable trusts, IRA's, Beneficiary IRA's, Roth IRA's, and variable annuities (for individuals and their family members), Charitable organizations, and Foundations. Advisor does not impose a minimum dollar value of assets or other condition for opening or maintaining an account, but reserve the right to terminate any Client that is not deemed to fit the Advisors philosophy of conservative money management as described in Type of Advisory Services.

Methods of Analysis, Investment Strategies, and Risk of Loss

Methods of Analysis

The Advisor employs technical security analysis to identify current asset trends and patterns that generate investment signals. The main sources of information are proprietary charts and graphs that are based upon the historical price activity of indexes, exchange traded funds, and investment company securities. Other sources of information include research material and timing services provided by other firms and information publicly distributed from financial media outlets.

Investment Strategies

The primary investment strategy we use for Client accounts is a tactical asset allocation rebalancing service. We actively trade long and inverse, that may or may not be leveraged, investment company securities that may be held for long term (at least a year), short term (less than a year), or trading (30 days or less) periods. Portfolio's are generally not strategically diversified by asset class. We may also at times recommend unrelated, third party investment managers who have a greater expertise in certain disciplines when appropriate for the Client. The investment strategy for a specific Client is based upon the objectives, income needs, and tax situation stated by the Client during consultations. The Client may change these objectives at any time. The Client's goals and objectives are recorded during meetings and via correspondence with the Client. Each Client portfolio may be constructed solely for that Client, but the trades that take place within the selected management program are the same trades in the same positions for all Clients' assets.

Risk of Loss

Investing in ANY and ALL securities involves risk of loss that Investors should be prepared to bear. No investment advisor can guarantee results, and past performance is a guarantee of future rate of return performance. Because Advisor may use leveraged and inverse leveraged assets, our services may not be suitable for all investors.

Conservativemoney LLC is the type of manager that should be employed only by knowledgeable investors who understand the potential consequences of seeking inverse and leveraged investment results. Investors should actively monitor all investments. The manager does not seek to achieve a stated investment objective over time. Investment risks including the following: Loss of Principal Risk, Interest-rate Risk, Market Risk, Inflation Risk, Currency Risk, Reinvestment Risk, Business Risk, Liquidity Risk, and Financial Risk.

Since it is impossible to address all the many risks associated with investments in general, the Advisor highlights here what, in our opinion, the most pertinent risks are associated with our particular style of management. This information is presented in a similar fashion to how we explained our advisory business in Item 4 on page 1:

Active manager strategies call for trading the asset, and sometimes trades can be frequent (daily), especially if there are large, single day percentage price movements. This type of activity may result in more account value volatility than a “diversified” account. Frequent trading may result in increased brokerage and other transactions costs and higher income taxation.

Discretion can and has been a problem for Investors of unscrupulous advisors, especially if the Investor is not regularly updated about their account or does not have an independent third party confirming their position and account values. Under no circumstances will Advisor ever hold or custody any amount of any of our Clients assets. All cClients of the Advisor have access to their account positions and values through the internet which is updated daily by a third party.

Long/short/cash manager is different from most “long only” manager because some of the underlying assets may be leveraged (which is more aggressive than not using leverage), and “short” assets seek profits when prices are declining (which is more aggressive than a “long only” manager). Investors who are “short” (or inverse) the market could lose money when the asset rises, a result that is the opposite from traditional “long only” managers. Also, when assets are held in cash, the Investor may miss an opportunity that being fully invested at all times in the market could have provided.

Tactical asset manager’s goals are to capitalize on market conditions, of which there are primarily three types: trending (up or down), directionless, and volatile. A tactical asset manager should generate profitable returns when the market is trending as long as the manager is on the correct side of the trend. But if the market is very volatile or trendless, not only is it difficult for the manager to make money during these markets, but the probability of negative total returns increases. If the manager is on the incorrect side of the trend in a trending market, the account will have a very high probability of generating a negative total return. Also, because the manager has the ability to invest a high percentage of the Investors assets into a single asset class, that makes the account more susceptible to negative total returns resulting from a single economic, political, or regulatory event - more so than a diversified portfolio.

Technical analysts buy and sell signals are based upon price patterns that have occurred in the past, but that is no guarantee that they may repeat themselves in the future. The goal of taking positions in assets that are most like to profit from a trend or pattern can only be realized IF the price pattern or trend is CORRECTLY identified, position taken is “with” the trend, and the trend continues in the same direction. While technical analysis applies historical factually measurable statistical information into its study, it is NOT a science and is subject to human error and misidentification of price patterns.

Debt instrument risk - Because almost all of the assets Advisor manages for our Clients are invested in assets based upon bond indexes, and even though historically bonds are more conservative than stocks, commodities, real estate, and options, there are still risks associated with owning any type of debt instrument. Debt instruments have varying levels of sensitivity to changes in interest rates, credit risk and other factors. Typically the value of outstanding debt instruments falls when interest rates rise. Debt instruments with longer maturities may fluctuate in price more in response to interest rate changes than debt instruments with shorter maturities. Many types of debt instruments are subject to prepayment risk, which is when the issuer repays the principal prior to the maturity date. Debt instruments allowing prepayment may offer less potential for gains during a period of declining interest rates. Other factors that can affect the price of debt instruments are: changes in the credit quality of the issuer, issuer default on payment obligation, and the fact that certain U.S Government agencies are neither issued by nor guaranteed as to principal and interest by the U. S. Government and may be exposed to credit risk.

It is the Investor’s sole responsibility and decision that Investor can absorb the inherit risks of fluctuating investment vehicle prices. Client acknowledges that he/she/it has discussed the suitability and understands the nature of the selected Asset Management Programs offered by the Advisor. Client agrees that he/she/it shall not and will not hold the Advisor liable for taxes, income, as well as any and all realized or unrealized short and long term capital gains and losses that may be incurred.

Disciplinary Information

Legal and Disciplinary

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Advisor or the integrity of Advisor’s management.

Neither Conservativemoney LLC nor any of its investment advisor representatives are not now, nor have been charged, convicted of, or plead guilty to any felony or misdemeanor, or entered an order against, or otherwise restricting activities involving: investments or an investment-related business, regulations or statutes, or any fraud, false statements, or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, theft, embezzlement, or other wrongful taking of property, bribery, forgery, counterfeiting, extortion, dishonest, unfair, or unethical practices or a conspiracy to commit any of these offenses, subject of an arbitration claim or been dishonest, unfair, or unethical, or any violation of SEC or CFTC regulations or statutes by the SEC, CFTC, any other federal regulatory agency, any state regulatory agency, any foreign financial regulatory authority, any court of law or civil, self-regulatory organization, or administrative proceeding.

Neither Conservativemoney LLC nor any of its investment advisor representatives have been a cause of an investment-related business having its authorization to do business denied, suspended, revoked, or restricted, settled or have imposed a civil money penalty on you or any advisory affiliate, or ordered you or any advisory affiliate to cease and desist from any activity, nor was ever denied, paid out on, or revoked a bond.

Neither Conservativemoney LLC nor any of its investment advisor representatives have Custody of our Clients' funds, withdraw advisory fees directly from Clients' accounts without written instructions, or act as a general partner for any partnership.

Other Financial Industry Activities and Affiliations

Activities

Advisor does not participate in any other industry business activities.

Affiliations

Thomas P. Fayen is the Managing member and an investment advisor representative of Conservativemoney LLC. Thomas P. Fayen is also licensed to sell, and may sell financial products that may generate a customary sales commission as a registered representative independent contractor affiliated with Financial Network Investment Corporation, Inc. which is both an Investment Advisor and Broker-Dealer whose SEC file number is 801-029577, and CRD Number is 13572. Thomas P. Fayen is also licensed with the State of Ohio as an insurance broker for life, health and annuity insurance contracts and is licensed to sell, and may sell insurance financial products and contracts that may generate a customary sales commission. There are no intermediate subsidiaries.

Code of Ethics

Code of Ethics

Conservativemoney LLC has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its Clients. The Code of Ethics includes provisions relating to the confidentiality of Client information, a prohibition on insider trading, a prohibition of rumor-mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at Advisor must acknowledge the terms of the Code of Ethics annually, or as amended.

Advisor anticipates that, in appropriate circumstances, consistent with Clients' investment objectives, it will cause accounts over which Advisor has management authority to effect, and will recommend to investment advisory Clients or prospective Clients, the purchase or sale of securities in which Advisor, its affiliates and/or Clients, directly or indirectly, have a position of interest. Advisor's employees and persons associated with Advisor are required to follow Advisor's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of Advisor and its affiliates may trade for their own accounts in securities that are recommended to and/or purchased for Advisor's Clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Advisor will not interfere with (i) making decisions in the best interest of advisory Clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of Advisor's Clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to Client trading activity.

Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as Clients, there is a possibility that employees might benefit from market activity by a Client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between Advisor and its Clients. Conservativemoney LLC's Clients or prospective Clients may request a copy of the firm's Code of Ethics by contacting Thomas P. Fayen.

Participation or Interest in Client Transactions

All Clients may and do own the same assets and perform the same trades. The Advisor's Managing Member, Thomas P. Fayen, is a Client of the Advisor and 100% of the his retirement plan assets (in excess of \$1,000,000) are managed using the exact same assets and signals as our Clients. While the amount of assets that Advisor manages for any one Client may fluctuate from 1% to 100% of the their total assets, Advisor does not tailor the advisory services to the individual needs of the Client, but every Client portfolio may be constructed solely for that Client. How we provide this service to our Clients is similar to the relationship a boat has between its captain and passengers; Advisor is the captain and the Clients are the passengers. Both the captain and passengers want to get to the same destination "Positive Return Point", but the captain is selecting which route the boat will take to get to the destination. The Client passengers have the ability to get "on" or "off" the boat at any time they like, but only the captain is allowed to "touch the rudder".

Certain affiliated accounts may trade in the same securities with Client accounts on an aggregated basis when consistent with Advisor's obligation of best execution. In such circumstances, the affiliated and Client accounts will share commission costs equally and receive securities at a total average price. Advisor will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.

It is Advisor's policy that the firm will not affect any principal or agency cross securities transactions for Client accounts. Advisor will also not cross trades between Client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory Client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another Client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory Client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

Brokerage Practices

Selecting Brokerage Firms and Soft Dollar benefits

Advisor does not receive any soft dollar benefits (research or other products or services, other than execution, provided by brokers or a third party to the investment adviser in connection with Client transactions), Client referrals (using Client brokerage to compensate brokers for Client referrals), or trade aggregation (bundling trades to obtain volume discounts on execution costs) from any brokerage firm or custodian that may be recommended to Clients. Trades in investment company securities do not garner any Client benefit.

Directed Brokerage

If the Client selects the fee alternative where the Advisor is to place trades on behalf of Client, and the Client directs the Advisor to place any brokerage trades or fund purchase transactions through a Broker Dealer, and if the Client selects the Broker Dealer Financial Network Investment Corporation, Inc. which is both an Investment Advisor and Broker-Dealer whose SEC file number is 801-029577, and CRD Number is 13572, and selects Thomas P. Fayen as a Registered Representative (i.e., advisor receives "directed brokerage" by asking or permitting the Client to send trades to a specific broker for execution), the Client may pay higher brokerage commissions because you may not be able to aggregate orders to reduce transaction costs, or the Client may receive less favorable prices, but the probability of that occurring is very low since the vehicles used under these fee services selected are investment company securities. Financial Network Investment Corporation has a wide range of approved securities products for which it has performed due diligence in selection. Thomas P. Fayen, as a Financial Network Investment Corporation registered representative, is required to provide only these approved securities products when implementing securities transactions. Clients may be able obtain these approved securities products as well as other suitable products elsewhere at a lower cost. Clients may pay commissions higher or lower than standard charges, not simply the lowest possible commission rates. Thomas P. Fayen considers and informs Client of reasonableness of commissions charged considering a number of factors including the quality of the Broker/Dealer's financial service, research, execution, availability of securities, purchasers and sellers of securities, fiscal responsibility, responsiveness, custodianship, clearance, settlement, dividend posting, interest posting, transaction size, and personal attention including face to face and phone meetings, reviews, statements, and other factors.

Review of Accounts**Regular Reviews**

All underlying assets of Client holdings (hereinafter referred to as "Accounts") are monitored on a daily basis. Every account position is updated via the Internet through a third party, Albridge Solutions Inc., and available to Clients through the Advisor's website. Client receipt of reallocation transaction confirmations and quarterly statements of shares owned and dollar amount values for time periods managed by the advisor is the responsibility of the Clients' brokerage firm, custodian, investment company, variable annuity contract sponsor, or third party, unless the Client requests otherwise. Advisor accepts no responsibility if the Custodian fails to comply. Account information may also be provided through the custodian's web site.

Periodic Reviews

Calendar year quarterly, accounts statements generated by Albridge Solutions, Inc. are printed, reviewed by Advisor, and sent to the Client with a scheduled time and date of when the Advisor will contact the Client. Yearend renewals are sent disclosing the annually renewable advisory fee, fee liquidation form, and annual offer of ADV disclosure.

Review Triggers

When accounts are reallocated, Advisor reviews confirmations that assets were properly reallocated. The supervised person who conducts these account reviews is the managing member of Advisor, Thomas P Fayen.

Client Referrals and Other Compensation

Incoming Referrals

Advisor has been fortunate to receive many Client referrals over the years. The referrals have come from current Clients, estate planning attorneys, accountants, employees, personal friends of employees and other sources. The firm does not directly or indirectly compensate any person for Client referrals. Advisor does not receive an economic benefit for providing investment advice or other advisory services to Clients other than the fee that the Client selected in the advisor engagement agreement.

Referrals to Other Professionals

Advisor 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

Advisor does not act as a custodian of Client assets and is not considered by the SEC to have “custody” over accounts. At no time under any circumstances is the Advisor to have custody or possession of any of the Client’s cash assets, bank accounts or securities in any account owned by the Client, or act as a general partner for any partnership, or be able to debit advisory fees from a Client’s account without the express written request of the Client. All Client’s assets are held by independent custodian’s or a third party. Advisor may not remove cash or securities from Client accounts except for transactions made on Client’s behalf in Client’s name. Advisor only acts on Client’s behalf as third party Advisor of Client’s accounts and is limited in scope as defined in the “engagement of Advisor” Agreement. Management fees of Advisor are billed directly to the Client, and if the Client wishes to pay these fees as a direct debit from the Client’s account, the Client must provide us those instructions separately for each bill, in writing, and are to be signed by the Client.

Statements Provided by Advisor

Clients should receive at least quarterly statements from the broker-dealer, bank, custodian, or through the fund or Albridge Solutions Inc. reports available online, and the adviser urges Clients to carefully review such statements and compare such official custodial records to the account statements that Advisor may provide to you to make sure they are all in agreement. Statements sent from Advisor are generated by Albridge Solutions Inc. and may vary slightly from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities, but the discrepancy, if any, should be negligible.

Investment Discretion

Discretionary Authority for Trading

Conservativemoney, LLC receives discretionary authority from the Client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular Client account.

Limited Power of Attorney

Advisor does not have a limited power of attorney, but does have limited trading authority which allows the Advisor to trade the investment vehicles owned by the Client, but does not allow for the transfer, withdrawal, or disbursement of money or assets from the Client's account. When selecting securities and determining amounts, Advisor observes the investment policies, limitations, guidelines and restrictions imposed by the Client provided the instructions were provided to the advisor in writing from the Client and are included as an addendum to the "engagement of advisor agreement" signed by both Client and advisor.

Voting Client Securities

Proxy Votes

As a matter of firm policy and practice, Advisor does not have any authority to and does not vote proxies on behalf of advisory Clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in Client portfolios. Advisor may provide advice to Clients regarding the Clients' voting of proxies.

Financial Information

Financial Condition

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Advisor's financial condition. Conservativemoney LLC has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients, and has not been the subject of a bankruptcy proceeding. Advisor does not serve as a custodian for Client funds or securities, and does not require or solicit prepayment of more than \$1,200 in fees per Client, six months or more in advance.

Conservativemoney LLC

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www.conservativemoney.com

Brochure Supplement

(Part 2B of Form ADV)

Supervised Person: Thomas P. Fayen

As of December 31, 2010

This brochure supplement provides information about Thomas P. Fayen that supplements the Conservativemoney LLC brochure. You should have received a copy of that brochure. Please contact Thomas P. Fayen if you did not receive Conservativemoney LLC's brochure or if you have any questions about the contents of this supplement.

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

As of December 31, 2010

Education and Business Standards

Conservativemoney LLC requires that any employee whose function involves determining or giving investment advice to Clients must be a graduate of a four-year college and must:

1. Have at least three years' experience in insurance, investments, accounting, or financial planning;
2. Hold the Series 65 Investment Adviser Representative license or its equivalent;
3. Be properly licensed for all advisory activities in which they are engaged
4. Abide by the Code of Ethics of Conservativemoney LLC

Thomas P. Fayen, Managing Member

Thomas P. Fayen was born on January 24, 1962, the tenth of twelve children in the family of Dr. William J. Fayen and Margaret Dempsey Fayen of Lakewood, Ohio. Mr. Fayen was on the honor roll for all four years, editor of the yearbook, and graduated with highest honors from the St. Edward High School, a Holy Cross college preparatory educational institution located in Lakewood, Ohio. Four years later, Mr. Fayen received his Bachelor of Arts degree in Economics from John Carroll University, a private Jesuit university located in University Heights, Ohio.

Mr. Fayen has over 20 years of experience, formal training, and has given continuing educational courses to accountants and attorneys covering multiple kinds of retirement related topics. He has provided investment products and services to Pension and Profit Sharing Retirement Plans, High Net Worth individuals, revocable trusts, irrevocable trusts, IRA's, beneficiary IRA's, Roth IRA's, and variable annuities (for individuals and their family members), Charitable organizations, and Foundations since 1984.

Mr. Fayen has been a Registered Representative since 1984 and maintains NASD securities licenses 6, 22, 62, 26, and 65. Since October, 2005, Thomas P. Fayen has been a Registered Representative and Registered Principal licensed with and offering securities through Financial Network Investment Corporation, Inc., a member of the FINRA and a Registered Investment Advisor registered with the Securities and Exchange Commission, who is licensed to sell, and may sell financial products that may generate a customary sales commission. He now spends about 8% of his time in this business. He has had no disciplinary activity in his SEC file.

Mr. Fayen was licensed in September of 1984 with State of Ohio to sell life, accident, health, and variable annuity insurance, and may sell insurance products that may generate a customary sales commission. He now spends about 2% of his time in this business.

Mr. Fayen has been the Managing Member, Chief Compliance Officer, Senior Portfolio Manager, and Investment Advisor Representative of Conservativemoney LLC and its predecessor Registered Investment Advisors, since March of 1992. He now spends about 90% of his time in this business. You can contact Mr. Fayen at (216) 251-2100 or tom@conservativemoney.com