

Firm Brochure

(Part 2A of Form ADV)

MALLARD ADVISORS, LLC

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This brochure provides information about the qualifications and business practices of Mallard Advisors LLC's Newark office (MALLARD). If you have any questions about the contents of this brochure, please contact us at: 302-737-4546, or by email at: paul@mallardadvisors.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 MALLARD is available on the SEC's website at www.adviserinfo.sec.gov

January 1, 2011

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.

This Brochure dated January 1st 2011 is a new document prepared in accordance with the revisions to Form ADV Part 2.

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. We will also reference the date of our last annual update of our brochure.

We 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. We may further provide other ongoing disclosure information about material changes as necessary. We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Material Changes since the Last Update

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

Full Brochure Available

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: 302-737-4546 or by email at: pam@mallardadvisors.com.

Additional information about Mallard Advisors, LLC is available via the SEC's web site www.adviserinfo.sec.gov. The SEC's web site also provides information about any persons affiliated with Mallard Advisors, LLC who are registered as Investment Advisor Representatives.

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Advisory Business

Firm Description

Mallard Advisors, LLC, ("MALLARD") was founded in 2003. It succeeded Mallard Asset Management Corporation, which Paul Baumbach founded in 1996. This brochure describes the business conducted by MALLARD's Newark office. MALLARD also has an office in Hockessin, Delaware, and that office has its own brochure. All future references to MALLARD in this document refer to the Newark office.

MALLARD provides personalized confidential financial planning and investment management to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, and small businesses. We provide you with advice through consultations with you and may include: investment management, determination of financial objectives, retirement planning, tax planning, education planning, estate planning, identification of financial problems, cash flow management, and insurance review.

MALLARD is strictly a fee-only financial planning and investment management firm. We do not sell annuities, insurance, stocks, bonds, mutual funds, limited partnerships, or other commissioned products. We are not affiliated with entities that sell financial products or securities. We do not accept commissions in any form. We do not accept finder's fees.

We typically consider your investment portfolio to be the **hub** of your financial life, and 'travel out the spokes of the wheel' to provide financial advice in retirement planning, tax planning, education planning, estate planning, cash flow planning, and insurance reviews.

We provide investment advice, and both recommend and execute recommendations. MALLARD does not act as a custodian of your assets. You always maintain asset control, through an independent custodian that holds your assets, and directly provides you with regular statements. MALLARD executes trades for you under a limited power of attorney with a third-party independent custodian.

We can provide you with advice on a one-time, hourly, or ongoing basis. We can provide this advice verbally, at a meeting, by phone, by email, and by written report. We typically communicate investment management by written reports, delivered quarterly or more frequently in most cases, and delivered by mail or email.

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) are engaged directly by you on an as-needed basis. Conflicts of interest will be disclosed to you if/when they occur.

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

Principal Owners

Paul S Baumbach is a 50% stockholder, and William D Starnes is a 50% stockholder (this is of Mallard Advisors, LLC, not solely the Newark office).

Types of Advisory Services

MALLARD provides investment supervisory services, also known as asset management services; manages investment advisory accounts not involving investment supervisory services; and furnishes investment advice through consultations.

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

As of 12/31/2010, MALLARD manages approximately \$87,500,000 in assets for approximately 105 clients. Approximately \$87,500,000 is managed on a discretionary basis, and \$0 is managed on a non-discretionary basis.

Tailored Relationships

We document, within a formal Investment Policy Statement, the goals and objectives for each ongoing investment management client. You may impose restrictions on investing in certain securities or types of securities.

We are forbidden from assigning our agreement with you to another firm without your consent.

Types of Agreements

The following agreements define the typical client relationships.

Platinum Investment Management Agreement

Most clients choose to have MALLARD manage their assets in order to obtain ongoing in-depth investment management and financial planning. The Platinum level of service provides you with tax- and cost-efficient investing, asset allocation that is matched to your return/risk goals, quarterly reporting, including a Market Review and Outlook, the creation of an Investment Policy Statement customized to your needs, and ongoing financial planning services.

Platinum level of service includes expert advice regarding individual stocks and bonds, mutual funds, exchange-traded funds, options, preferred stocks, etc, in-depth quarterly reports, up to four face-to-face meetings annually, the incorporation of multiple custodians, and ad hoc specialized reviews. We offer to work with your other advisors (attorneys, accountants, etc.), and if requested, we will prepare your income tax returns if they are not too complex, at no additional charge. Platinum level of service is best-suited when your investment portfolio is \$400,000 or greater.

Platinum fees are calculated as a percentage of Assets Under Management (AUM). The fee is calculated at the end of the quarter, based on the AUM at the end of the quarter. When your entire portfolio is comprised exclusively of mutual funds and variable annuities, we reduce fees for Platinum accounts by 10% from the level listed below. The minimum quarterly fee for a Platinum account is \$1,000. Limited exceptions to this schedule are made in unusual circumstances. Current client relationships may exist where the fees are higher or lower than the fee schedule below.

	Platinum
First \$1,000,000	1.00%
Next \$2,000,000	0.80%
Next \$3,000,000	0.60%
Next \$4,000,000	0.40%
Amount > \$10 million	0.25%

Our Advisory Service Agreement is an ongoing agreement, and constant adjustments are required. You or MALLARD may terminate an Agreement by written notice. At termination, we will bill a last fee on a pro rata basis for the portion of the quarter completed. The portfolio value at the completion of the prior full billing quarter is used as the basis for the fee computation, adjusted for the number of days during the billing quarter prior to termination.

Gold Investment Management Agreement

Most clients choose to have MALLARD manage their assets to obtain ongoing in-depth investment management and financial planning. The Gold level of service provides tax- and cost-efficient investing, asset allocation that is matched to your return/risk goals, quarterly reporting, including a Market Review, the creation of an Investment Policy Statement customized to your needs, and ongoing financial planning services.

Gold level of service is designed for those with investment management and financial planning needs more modest than provided at the Platinum level, coupled with a slightly lower cost. Quarterly investment reports are more streamlined than for Platinum clients, meetings are limited to no more than two per year. No tax preparation is included in the Gold level of service, although it can be provided under a separate agreement. Gold level of service is well-suited when an investment portfolio is \$200,000 or greater.

Gold fees are calculated as a percentage of Assets Under Management (AUM). The fee is calculated at the end of the quarter, based on the AUM at the end of the quarter. The minimum quarterly fee for a Gold account is \$400. Limited exceptions to this schedule are made in unusual circumstances. Current client relationships may exist where the fees are higher or lower than the fee schedule below.

	Gold
First \$1,000,000	0.80%
Next \$2,000,000	0.64%
Next \$3,000,000	0.48%
Next \$4,000,000	0.32%
Amount > \$10 million	0.20%

Our Advisory Service Agreement is an ongoing agreement, and constant adjustments are required. You or MALLARD may terminate an Agreement by written notice. At termination, we will bill a last fee on a pro rata basis for the portion of the quarter completed. The portfolio value at the completion of the prior full billing quarter is used as the basis for the

fee computation, adjusted for the number of days during the billing quarter prior to termination.

RetirementGPS Investment Management Agreement

A *RetirementGPS Investment Management Agreement* may be executed when financial planning is **not** required. This enables you to obtain our professional investment management for a lower cost, and for smaller portfolio sizes (typically \$50,000 or more). For a *RetirementGPS Investment Management Agreement* we charge an annual fee of 0.50%, applied to the Average Daily Balance (ADB) of the portfolio over the prior calendar quarter. FolioFN, the current custodian selected for RetirementGPS clients, charges an additional 0.25% annually (applied to the ADB). We provide a discount on **our** fee to non-profit organizations.

Hourly/Project Planning Engagements

MALLARD provides hourly planning services if you need advice on a limited scope of work. The hourly rate for limited scope engagements ranges from \$50 to \$250, depending on the complexity and the staff member(s) involved. Alternatively, often engagements of this type are structured as a project, with a set, flat fee. The fee could range from \$100 to several thousand dollars, but typically ranges from \$500 to \$1,500. The engagement will describe what meeting(s) are included, what analysis/deliverable is included. Typically, the fee is due at the conclusion of the project.

Tax Preparation Agreement

Tax preparation work performed separately from an *Advisory Service Agreement* is billed at a rate related to the expected complexity of the return. Fees are typically about \$160; however they range from \$50 to \$750. Eligible federal and applicable state returns are filed electronically without an additional fee.

Investment Management

Assets are often invested in no-load or load-waived mutual funds, exchange-traded funds, and closed-end funds, usually purchased/sold/held through a brokerage firm. All such funds charge you an investment management fee that is disclosed in the fund prospectus. Discount brokerage firms may charge you a transaction fee for the purchase and sale of some funds.

Stocks (both common and preferred) and bonds (corporate, government, municipal) may be purchased or sold through a brokerage account when appropriate. The brokerage firm typically charges a fee for stock and bond trades, with a commission for stocks and a mark-up for bonds.

Investments may also include: warrants, commercial paper, certificates of deposit, investment company securities (variable life insurance, variable annuities), options contracts, futures contracts, unit investment trusts, and interests in partnerships. Most of these investments have ongoing fees charged by the 'sponsoring organization.'

In certain situations, and only when suitable and necessary to help achieve your investment goals, MALLARD may place a portion of your portfolio in structured investments/structured notes whose performance is linked to stock, bond, and commodity indices.

Initial public offerings (IPOs) are not typically available through MALLARD. If you request IPO shares, MALLARD will determine if you are qualified for the specific IPO, and may request shares from the custodian of your account. The custodian will have its own policy for allotting IPO shares amongst customers who request them.

MALLARD does not receive any direct compensation from investment companies or brokerage firms or investment sponsors.

Termination of Agreement

You may terminate any of the aforementioned agreements at any time by notifying MALLARD in writing, and paying the rate to MALLARD for the time spent on the agreement prior to notification of termination. If you made an advance payment, MALLARD will refund to you any unearned portion of the advance payment.

MALLARD may terminate any of the aforementioned agreements with you at any time by notifying you in writing. If you made an advance payment, MALLARD will refund to you any unearned portion of the advance payment. If no pre-payment was made, MALLARD will issue to you a bill for the time spent on the agreement prior to notification of termination.

Fees and Compensation

Description

MALLARD bases its fees on a percentage of assets under management, hourly charges, and fixed fees (not including subscription fees).

One-time financial projects/plans are priced according to the degree of complexity associated with the client's situation.

Fees are rarely negotiable.

Fee Billing

Our investment management fees (Platinum, Gold, RetirementGPS) are billed quarterly, in *ARREARS*, meaning that we invoice you *AFTER* the three-month billing period has *ENDED*. Payment in full is expected upon invoice presentation. Fees are usually deducted from your designated account(s) to facilitate efficient billing. You must consent in advance to direct debiting of your investment account.

Fees for financial projects and tax returns are typically due upon delivery of the financial project or tax return.

Other Fees

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

In situations in which multiple share classes exist for a mutual fund that MALLARD is considering for you, we strive to identify the best share class for you, considering both transaction fees and annual fees for that fund.

Expense Ratios

Mutual funds generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.50% per year for their services. These fees are in addition to the fees that you pay to MALLARD.

Performance figures quoted by mutual fund companies in various publications are after these mutual fund expense ratio fees have been deducted.

Past-Due Accounts and Termination of Agreement

MALLARD reserves the right to stop work on your account if it is more than 90 days overdue. In addition, we reserve the right to terminate any engagement where you have willfully concealed or have refused to provide pertinent information about financial situations when necessary and appropriate, in MALLARD's judgment, to providing you with proper financial advice. Any unused portion of fees collected in advance will be refunded within 30 days.

Conflicts of Interest

Being a fiduciary fee-only advisor does not eliminate all potential conflicts of interest. While we feel that our business model and fee structure significantly minimize the conflicts of interest, some remaining conflicts can exist. The following are examples (not necessarily a comprehensive list) of conflicts of interest under each of our service levels and how we minimize them:

1. **Project Planning** – Most projects are contracted with a fixed fee, to avoid the conflict of interest that is inherent in hourly planning (i.e. spending more time costs you more, and we could be tempted to spend more time than the project actually requires).
2. **Hourly Planning** – Some clients have sporadic financial planning needs, an hour here and there throughout the year. For these clients, we offer to work on an hourly basis. If we encounter an in-depth consideration that would involve significant time to research (which would increase our compensation), we would first contact you and ensure that you want us to proceed.
3. **Investment Management** – Our compensation is based on the amount of your assets which we have under management. This method of compensation creates conflicts in that our compensation may be enhanced in situations where you are depending on objective advice. These include any situations which would decrease or increase the assets we manage, such as taking out a mortgage rather than using cash, selecting a retirement pension versus a lump sum, using cash for paying off a mortgage, gifting to charities or children, recommendations to bring other assets, such as 401k accounts, under our management, etc.

To limit these conflicts of interest, we do the following:

- a. We regularly monitor times that our Investment Management clients ask us for advice that will directly affect our assets under management, and therefore our compensation.

- b. When we identify such situations, we immediately notify you that this is a conflict of interest, we strive to quantify the impact on our compensation of each alternative, we provide alternatives to our advice, and let you decide which alternative you prefer.

Our revenue is also increased and decreased due to market fluctuations determined predominately by economic factors beyond our control. Such market fluctuations do not actually reflect the value we add to investment management. To counter these disadvantages, we provide to you a comparison between benchmark performance and the performance of **your** account(s).

To be certain that you are aware of the fees we charge, our quarterly reports include a billing statement which details the dollar amount you are being charged, even though these amounts are typically withdrawn directly from your account.

Performance-Based Fees

Sharing of Capital Gains

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

MALLARD does not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for an adviser to recommend an investment which carries too high a degree of risk to you.

Types of Clients

Description

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

Client relationships vary in scope and length of service.

Account Minimums

For ongoing investment management, the minimum account size varies based on which level of service. The minimum level for Platinum clients is \$400,000, which equates to a minimum quarterly fee of \$1,000. The minimum level for Gold clients is \$200,000, which equates to a minimum quarterly fee of \$400. The minimum level for RetirementGPS clients is \$50,000, which equates to a minimum MALLARD quarterly fee of \$62.50. There are 'legacy' clients whose contracts contain lower minimum quarterly fees, and thus lower account minimums.

Depending upon circumstances, MALLARD will sign an *Hourly Agreement* with you if your assets have diminished significantly below the minimum annual fee for the previously contracted level of service.

MALLARD has the discretion to waive the account minimum, and is more likely to do so if you are expected to add additional funds to the accounts and thus bring the balance up to

the minimum level within a reasonable time. Other exceptions could apply to employees of MALLARD and their relatives, or relatives of existing clients.

Clients with assets below the minimum account size may pay a higher percentage rate on their annual fees than the fees paid by clients with assets under management greater than the minimum for that service level.

Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

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

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

Other sources of information that we may use include Morningstar Advisor Workstation mutual fund, stock, closed-end fund, variable annuity, 529 account, and separate account information, S&P Advisor stock information, Zacks Research Wizard stock information, fi360 Investment Analyzer mutual fund research service, Advisor Intelligence, and the Internet.

Investment Strategies

The primary investment strategy used with client accounts is strategic asset allocation, which means that we focus on your portfolio's overall asset allocation (what proportion is invested in riskier stock-related investments, and what proportion is invested in safer cash/bond-related investments). We pay close attention to proper diversification within your bonds and within your stocks, taking market and economic outlooks into account. Gold and Platinum investment management client portfolios are managed in a tax-efficient manner. RetirementGPS accounts are not managed in a tax-efficient manner—this service is best suited for retirement accounts, which are tax-deferred.

Moderation is an investment virtue. We recommend that a globally balanced approach be taken, within the limitations of your Investment Policy Statement, and that we follow this approach when it is easy and when it is hard. This means adding to stocks when they are falling (with no end in sight), and selling stocks when they seem to go nowhere but up. We feel that this improves the likelihood of you achieving your financial goals.

The investment strategy selected for you is based upon the objectives shared by you during consultations. Each client executes an Investment Policy Statement (IPS) that documents their objectives and their desired investment strategy. The IPS can be changed as circumstances change, and when this is the case, we would adjust the strategy we use for your portfolio accordingly. We aim to review and update your IPS no less frequently than every five years.

Risk of Loss

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

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

Investing involves risk of loss that clients should be prepared to bear. While Mallard will use its best judgment and good faith efforts in rendering services to you, not every investment decision or recommendation made by Mallard will be profitable. We do not warrant or guarantee any particular level of account performance, or that your Account will be profitable over time. **You** assume all market risk involved and understand that investment decisions are subject to various market, currency, economic, political and business risks.

Disciplinary Information

Legal and Disciplinary

Neither the firm nor any of its employees have been involved in legal or disciplinary events related to past or present investment clients.

Other Financial Industry Activities and Affiliations

Financial Industry Activities

MALLARD neither serves as, nor is registered as, a securities broker-dealer, a futures commission merchant, commodity pool operator or commodity trading advisor. MALLARD serves as a registered investment advisory firm.

Affiliations

Mallard is a corporate member of the National Association of Personal Financial Advisors (NAPFA, www.napfa.org), the nation's leading organization of Fee-Only comprehensive financial planning professionals. NAPFA maintains a Find-an-Advisor search function that directs consumers to NAPFA firms and NAPFA planners. Paul Baumbach is a NAPFA Registered Financial Advisor, a status that, once attained, requires that Paul earn a minimum of 60 continuing education credits every two years.

Several of Mallard's employees are CFP® certificants, which, once attained, require a minimum of 30 continuing education credits every two years. The Certified Financial Planner Board of Standards (www.cfp.net) maintains a CFP® Professional Search function that directs consumers to area CFP® certificants.

www.bankrate.com includes a Find-a-CFP® search function that generates listings of CFP® practitioners.

Paul S Baumbach is a member of the CFA Institute (www.cfainstitute.org), and the CFA Society of Philadelphia (www.cfaphil.org), which is a professional organization of investment professionals. The CFA Institute's mission is 'To lead the investment profession globally by setting the highest standards in ethics, education, and professional excellence.'

Pamela S Baumbach is a member of the Institute for Divorce Financial Analysts (IDFA), which provides lists of its CDFA™ certificants on its www.institutedfa.com website.

MALLARD has no arrangements that are material to its advisory or its clients with a related person who is a broker-dealer, investment company, other investment advisor, financial planning firm, commodity pool operator, commodity trading adviser or futures commission merchant, banking or thrift institution, accounting firm, law firm, insurance company or agency, pension consultant, real estate broker or dealer, or an entity that creates or packages limited partnerships.

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

Code of Ethics

The employees of Mallard have committed to a Code of Ethics that is available for review by clients and prospective clients upon request. The Code of Ethics describes Mallard's 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 of Mallard's employees acknowledge the terms of the Code of Ethics annually, or as amended.

The firm will provide a copy of the Code of Ethics to any client or prospective client upon request.

Participation or Interest in Client Transactions

MALLARD and its employees may buy or sell securities that are also held by you. Employees comply with the provisions of the MALLARD *Compliance Manual*. MALLARD monitors employee trades of individual stocks which may be held by you, to ensure that employees do not trade their shares 'ahead of' yours.

Certain classes of securities, such as open-ended and exchange-traded mutual funds, are designated as exempt transactions, meaning employees may trade these without prior permission because such trades would not materially interfere with the best interest of Advisor's clients.

Personal Trading

The Chief Compliance Officer of MALLARD is Pamela Baumbach. She or Paul Baumbach reviews all employee trades each quarter. The personal trading reviews ensure that the personal trading of employees does not affect the markets, and ensures that you receive preferential treatment. Since most employee trades are small mutual fund trades or exchange-traded fund trades, the trades do not affect the securities markets, or our clients.

Brokerage Practices

Selecting Brokerage Firms

MALLARD does not have any affiliation with product sales firms. Specific custodian recommendations are made to you based on your need for such services. MALLARD recommends custodians based on the proven integrity and financial responsibility of the firm and the best execution of orders at reasonable commission rates.

MALLARD recommends discount brokerage firms and trust companies (qualified custodians), such as TD Ameritrade, TIAA CREF, FolioFN, and iShares. MALLARD is independent of all such brokerage firms and custodians, and all such firms are independent of Mallard.

MALLARD DOES NOT receive fees or commissions from any of these arrangements.

Best Execution

MALLARD reviews the execution data from several custodians each year including the custodians recommended by Mallard. The review is documented in the MALLARD *Compliance Manual*. Trading fees charged by the custodians are also reviewed on an annual basis. MALLARD does not receive any portion of the trading fees that our clients pay to these custodians.

Client is not obligated to effect transactions through any broker-dealer recommended by Advisor. When recommending a broker-dealer, the Advisor will comply with its fiduciary duty to obtain best execution and with the Securities Exchange Act of 1934, and will take into account such relevant factors as:

- Price;
- The broker-dealer's facilities, reliability and financial responsibility;
- The ability of the broker-dealer to effect transactions, particularly with regard to such aspects as timing, order size and execution of order;
- The research and related brokerage services provided by such broker or dealer to the Advisor, notwithstanding that the account may not be the direct or exclusive beneficiary of such services; and
- Any other factors the Advisor considers to be relevant.

Soft Dollars

MALLARD does not receive any soft dollars (software maintenance credits) from any brokerage firm or custodian.

Order Aggregation

Most trades are mutual funds or exchange-traded funds, or are done on different days, where trade aggregation (combining the trades of the same security across multiple clients) does not garner any client benefit. Where the same exchange-traded security is being bought/sold at the same time for more than one client, we may use a 'block order' to ensure that each client receives the same execution price.

Review of Accounts

Periodic Reviews

Account reviews are performed for all Platinum and Gold Investment Management clients' accounts at least quarterly by advisors Paul Baumbach, Managing Partner, Susan Lehnerd, Advisor, Ed Mink, Portfolio Administrator, and/or Pamela Baumbach, Senior Portfolio Administrator. You are provided with the Supplemental Brochure (Form ADV Part 2B) for all four of these employees.

Account reviews are performed more frequently when market conditions dictate. RetirementGPS clients' accounts are also reviewed quarterly, and investment changes are made quarterly when warranted. Mallard only provides written portfolio reviews to RetirementGPS clients once or twice per year.

Review Triggers

Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's own situation.

Regular Reports

Account reviewers are members of the firm's Investment Committee. Paul Baumbach chairs the Investment Committee. The committee considers your current security positions and the likelihood that the performance of each security will contribute to the investment objectives of the client.

Ongoing clients receive periodic communications on at least an annual basis. Platinum *Investment Management* clients, and Gold *Investment Management* clients receive written quarterly updates. RetirementGPS *Investment Management* clients receive written updates at least annually. The written updates may include performance reports (covering the period since the last report, and since inception), a consolidated portfolio statement, and a consolidated portfolio analysis. Written updates to Platinum and Gold clients typically include a recommendation of investment changes to be made.

Client Referrals and Other Compensation

Incoming Referrals

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

Referrals Out

MALLARD does not accept referral fees or any form of remuneration from other professionals when Mallard refers a prospect or client to them. This referral is warranted when a more specialized professional is required.

Other Compensation

MALLARD may receive from clients' custodian firms certain investment research products and/or services which assist us in our investment process for you. These products/services can include electronic interfaces to connect MALLARD's computers and the custodian's, discounted rates for industry conferences held by the custodian, rates negotiated lower by the custodian for research services from third parties (such as Morningstar).

MALLARD employees may receive a meal from a representative of a custodian or investment company. Such meals should not exceed a reasonable level (\$75 in most locations, \$100 in a major metropolitan area).

MALLARD employees may receive 'trinkets' from a representative of a custodian or investment company. Examples could be pens, a business card holder, a calendar, golf balls, etc, typically with promotional material on them. Such items should not exceed a reasonable level (\$25 in most cases).

Our selection of custodians and investment firms for your portfolio is not affected by these nominal benefits.

Custody

Account Statements

All assets are held at qualified custodians, which means the custodians provide account statements directly to clients at their address of record at least quarterly. In some cases, you can request that the custodian provides statements to you directly by email, rather than through the mail.

Advisor urges all clients to carefully review such statements and compare such official custodial records to any statements that we may provide to you. Advisor may also provide clients with periodic reports on client's account. These reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Investment Management clients are urged to compare the account statements received directly from their custodians to the performance report statements provided by Mallard.

Performance Reports

Clients are urged to compare the account statements received directly from their custodians to the performance report statements provided by MALLARD.

Net-Worth Statements

You may infrequently be provided with net-worth statements. These statements may contain approximations that **you** provide, and are therefore **not** intended to be viewed as precise/verified by MALLARD.

Investment Discretion

Discretionary Authority for Trading

For Investment Management clients, MALLARD accepts discretionary authority to manage your investment accounts. MALLARD has the authority to determine, without obtaining your specific consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. However, in the rare situations that you have not granted a blanket trading authorization, MALLARD consults with you prior to each trade to obtain your concurrence. The level of discretion and notification is maintained in the Investment Policy Statement.

You approve the custodian to be used and the commission rates paid to the custodian. MALLARD does not receive any portion of the transaction fees or commissions paid by you to the custodian for any trades. These fees are generally considered discounted from customary retail commission rates.

Trades through custodian FOLIOfn (used by RetirementGPS clients) are generally free of transaction-fees, as the 0.25% annual custodial fee covers that. There are exceptions for

short-term trades (investments held less than 90 days). We strive to minimize the cases of such short-term trades at FOLIOfn.

Discretionary trading authority allows us to make trades in your accounts on your behalf so that we may promptly implement the investment policy that you have approved in writing.

For Project clients, MALLARD rarely accepts discretionary authority to manage your investment accounts, and execution of trades with which you concur are your responsibility.

Limited Power of Attorney

A limited power of attorney is used to convey trading authorization. You sign a limited power of attorney so that we may execute the trades that we recommend.

Voting Client Securities

Proxy Votes

When you request it, MALLARD votes proxies for securities over which we maintain discretionary authority, consistent with our proxy voting policy. MALLARD provides you with a copy of our proxy voting policy when you are considering whether to request that we vote your proxies. If a conflict of interest exists, we will disclose it to you.

Financial Information

Financial Condition

MALLARD does not have any financial impairment that will preclude us from meeting contractual commitments to clients. Mallard has not been the subject of a bankruptcy proceeding.

A balance sheet is not required to be provided because MALLARD does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$1,200 per client, and six months or more in advance.

Business Continuity Plan

General

MALLARD has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services, or key people.

Disasters

The Business Continuity Plan covers natural disasters such as snow storms, hurricanes, tornados, and flooding. The Plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, communications line outage, Internet outage, railway accident and aircraft accident. Electronic files are not stored onsite, and are regularly backed up and archived offsite.

Alternate Offices

Alternate offices are identified to support ongoing operations in the event the main office is unavailable. It is our intention to contact you within five business days of any disaster that requires us to move our office to an alternate location.

Loss of Key Personnel

MALLARD's Newark office has signed a Business Continuation Agreement with MALLARD's Hockessin office, to support the clients of the Newark office, in the event of Paul Baumbach's serious disability or death.

Information Security Program

Information Security

MALLARD maintains an information security program to reduce the risk that your personal and confidential information may be breached.

Privacy Notice

MALLARD is committed to maintaining the confidentiality, integrity and security of the personal information that is entrusted to us.

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

With your permission, we disclose limited information to attorneys, accountants, and mortgage lenders with whom you have established a relationship. You may opt out from our sharing information with these nonaffiliated third parties by notifying us at any time by telephone, mail, fax, email, or in person. With your permission, we share a limited amount of information about you with your brokerage firm in order to execute securities transactions on your behalf.

We maintain a secure office to ensure that your information is not placed at unreasonable risk. We employ a firewall barrier, secure data encryption techniques and authentication procedures in our computer environment.

We do not provide your personal information to mailing list vendors or solicitors. We require strict confidentiality in our agreements with unaffiliated third parties that require access to your personal information, including financial service companies, consultants, and auditors. Federal and state securities regulators may review our Company records and your personal records as permitted by law.

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

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

Brochure Supplement (Part 2B of Form ADV)

Education and Business Standards

MALLARD requires that advisors in its employ have a bachelor's degree and further coursework demonstrating knowledge of financial planning and tax planning. Examples of acceptable coursework include: an MBA, a CFP®, a CFA, a ChFC, JD, CTFA, EA or CPA. Additionally, advisors must have work experience that demonstrates their aptitude for financial planning and investment management. MALLARD aims to give each employee responsibilities that are suitable, given that employee's education and experience.

Professional Certifications

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

Certified Financial Planner™ (CFP®): Certified Financial Planners™ are licensed by the CFP Board of Standards, Inc to use the CFP® mark. CFP® certification requirements:

- Bachelor's degree from an accredited college or university.
- Completion of the financial planning education requirements set by the CFP Board (www.cfp.net).
- Successful completion of the 10-hour CFP® Certification Exam.
- Three-year qualifying full-time work experience.
- Successfully pass the Candidate Fitness Standards and background check.

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

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

Certified Divorce Financial Analyst (CDFA™): Certified Divorce Financial Analysts are licensed by the Institute for Divorce Financial Analysts™ (www.institutedfa.com). CDFA enrollment requirements:

- Successful completion of the four-part Modules and related examination. The fourth Module is a comprehensive Case Study,
- CDFA™ professionals must have a minimum of two years experience in a financial or legal capacity prior to earning the designation,

- CDFA™ practitioners must abide by the strict IDFA™ Code of Ethics and Professional Responsibility, and must complete a minimum of twenty hours of continuing education every two years in the field of divorce.

Paul S Baumbach, CFA, CFP®, ChFC

Born April 11, 1962

Educational Background:

- University of Delaware, BS in Computer Science (1983)
- Villanova University, MS in Computer Science (1988)

Business Experience:

- 1982 to 1988 Burroughs Corporation/Unisys Corporation
- 1988 to 1992 University Computer Sciences Corporation
- 1993 to 1997 RKM Associates/RKM Advisors
- 1996 to present Mallard Asset Management Corp/Mallard Advisors LLC

Disciplinary Information: None

Other Business Activities: Newark Housing Authority, board member
 Equality Delaware, treasurer
 Unitarian Universalist Fellowship of Newark,
 past treasurer, finance chair

Additional Compensation: None

Supervision:

Paul Baumbach is the company founder, and is not supervised.

Pamela S Baumbach, CFP®, CDFA™

Born September 23, 1963

Educational Background:

- University of Delaware, BS in Accounting (1985)
- University of Delaware, Certificate in Financial Planning (2009)

Business Experience:

- 1985 to 1986 Maulo, Delaney CPAs
- 1986 to 1987 Helmsley Greenfield Co
- 1987 to 1988 Acorn Development Corp
- 1988 to 1989 The Rouse Company
- 1993 to 1994 Stoltz Management Company
- 1995 to 1997 Packaging Strategies
- 1997 to 2000 Eagle Eye Home Inspections

- 2000 to present Mallard Asset Management Corp/Mallard Advisors LLC

Disciplinary Information: None

Other Business Activities: None

Additional Compensation: None

Supervision:

Pamela Baumbach is supervised by Paul Baumbach, Managing Partner. He reviews Pamela Baumbach's work through frequent office interactions as well as remote interactions. He also reviews Pamela Baumbach's activities through our client relationship management system.

Paul Baumbach's contact information:

302-737-4546

paul@mallardadvisors.com

Susan E Lehnerd, CFP®

Born November 9, 1963

Educational Background:

- Towson University, BS in Early Childhood/Elementary Education (1986)
- Loyola University Maryland, M.B.A. (1993)
- University of Delaware, Certificate in Financial Planning (2008)

Business Experience:

- 2002 to 2007 Community College of Baltimore County (Maryland)
- 2007 to present Mallard Advisors, LLC

Disciplinary Information: None

Other Business Activities: None

Additional Compensation: None

Supervision:

Susan Lehnerd is supervised by Paul Baumbach, Managing Partner. He reviews Susan Lehnerd's work through frequent office interactions as well as remote interactions. He also reviews Susan Lehnerd's activities through our client relationship management system.

Paul Baumbach's contact information:

302-737-4546

paul@mallardadvisors.com

James E Mink, Jr. (Ed), CFP®

Date of birth April 8, 1948

Educational Background:

- Salisbury University, BS in Mathematics (1972)
- American Institute of Banking (1979)
- West Chester University (1988)
- University of Delaware, Certificate in Financial Planning (2009)

Business Experience:

- 1972 to 1973 Provident Mutual Life Insurance Co.
- 1973 to 1985 Wilmington Savings Fund Society
- 1985 to present Pension Management Co
- 1988 to present Self-employed tax preparation
- 2008 to present Mallard Advisors, LLC

Disciplinary Information: None

Other Business Activities:

As noted above, Ed works part-time for Pension Management Company, as a Senior IRA Consultant. Ed is a self-employed tax preparer. Mallard does no business with either of these businesses, nor do either of these businesses do business with Mallard. None of these three businesses make any referrals to any of the other businesses.

Additional Compensation:

As noted above, Ed works part-time for Pension Management Company, as a Senior IRA Consultant. Ed is a self-employed tax preparer.

Supervision:

James E Mink, Jr. (Ed) is supervised by Paul Baumbach, Managing Partner. He reviews Ed's work through frequent office interactions as well as remote interactions. He also reviews Ed's activities through our client relationship management system.

Paul Baumbach's contact information:

302-737-4546

paul@mallardadvisors.com