

Form ADV : Part 2 A & B

As of **November 7, 2011**

Part 2A: The Brochure: This brochure discloses information about the qualifications and business practices of the investment advisory firm named below for the benefit of its clients and prospective clients. Please note that the terms “registered investment adviser” or “registered” do not imply a certain level of skill or training. If the adviser uses a wrap fee program, it is found in Appendix 1. If you have any questions about the contents of this brochure, please contact us at the contacts given below. **Part 2B: The Brochure “Supplement** discloses information about persons providing advice.

2A: Brochure : Item 1 : Cover Page : for

MPS-LORIA Financial Planners, LLC

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Burr Ridge, ILLINOIS 60527-6955

[crd # 122866 / SEC # 801-66518]

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or

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*Please note that this brochure has not been approved by the Securities & Exchange Commission or by any state securities authority. This firm is registered with the SEC and notice filed in one or more states; **registration does not mean approval or verification by those regulators.** More information about the firm is at Investment Adviser Public Disclosure : www.adviserinfo.sec.gov.*

2A: Brochure : Item 2: Material Changes : *If we amend this disclosure brochure, we are to send you either a new copy of the brochure or at least this item 2 describing the changes made so you can decide if you want us to send you a complete, new copy. A summary of material changes is :*

☐ attached as an exhibit to or

☒ included here as part of this updated brochure

or : ☐ No summary of material changes is required because there have been no material changes to this adviser's brochure since its last annual updating amendment.

The changes made are:

In Items 4 and 16 we have added notification that our firm has the ability to establish both Discretionary and Non-Discretionary accounts, but that MPS LORIA will work primarily on Discretionary accounts.

In Item 4. E we have updated the assets under management.

Item 2 requires that an adviser amending its brochure identify and discuss the material changes since the last annual update on the cover page or the following page or as a separate document accompanying the brochure. This item is designed to make clients aware of information that has changed since the prior year's brochure and that may be important to them. Whenever there is a material change to the form ADV , the firm must either send this item 2 with an offer to send the whole ADV, or else send the whole ADV Part 2AB.

2A: Brochure : Item 3 : Table of Contents : Information that investment advisers must provide to prospective clients initially and to existing clients annually : 18 disclosure items that describe this firm’s advisory business. and (if applicable) Appendix 1withdisclosuresrequired for a “wrap fee” program brochure [*a specialized brochure*].

Item 1. : <u>Cover Page</u> .: The firm’s name, its address, contact information,	Page 1, above
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2A: Brochure : Items 4 – 18:

Item 4. : This advisory firm's business

4. A. MPS-LORIA Financial Planners, LLC [FEIN 36-4323828] is an ILLINOIS Limited Liability Company that registered in August 1999 to do business as an investment advisory firm. MPS-LORIA (or “the firm” or “the adviser”) is currently registered with the SEC and notice filed in ILLINOIS. Note : The use of the phrase “registered investment adviser” or the term “registered” do not imply a certain level of skill or training.

The firm's owners are :

- **Richard T. Loria**, the firm's President and Managing Member
- **Edward William Mulcahy, Jr**, member and shareholder
- **Michael Pauritsch**, a Principal and Member of the firm,
- **Philip Alan Salvador** a member and shareholder

In addition to the NASD examinations any given state requires each investment adviser representative to pass in order to give investment advice in that state, MPS-LORIA Financial Planners, LLC requires its advisers to have at least a college education or 5 years of related industry experience. Along with this, they must also demonstrate a history of being in compliance with all industry laws and regulations.

MPS-LORIA Financial Planners, LLC maintains business hours from 8:30 AM to 5:00 PM (CST).

4.B. **MPS-LORIA Financial Planners, LLC** (“the firm” or “the adviser”) provides financial planning and investment supervisory services for client accounts.

The firm first conducts an interview with a prospective client, using a standard questionnaire, to assist in determining a client's needs, goals, risk tolerance and those types of investments suitable to those factors.

Clients who desire to have the adviser produce a financial plan will, in most instances, provide the advisory representative with additional information. The firm advises clients that a financial plan depends upon the completeness and accuracy of the information provided and that parts of a plan may be interrelated, such that implementing only a portion of a plan may have unintended consequences.

Managed accounts may be discretionary or non-discretionary. Clients opting to allow the investment advisor discretion with regard to a client's account will be asked to sign a limited power of attorney allowing the investment advisor to choose the types and quantities of investments in a client's account without prior, specific authorization from the client. The Custodian for client accounts is TD Ameritrade [“TD”]. Under TD the investment advisor can establish on of two kinds of accounts :

- Non-Wrap, or
- Wrap Accounts

The adviser may rebalance accounts set up under a “model” once a year with a 3% variance, assuming a minimum transaction of \$1,000. This rebalance may or may not occur based on several factors.

“Layering of Fee Disclosure” When mutual funds are used in effect a client pays 2 fees, one fee to the mutual funds and a second fee to the Advisor

4.C. Do we tailor our advisory services to a client's individual needs and how do we do so?
Can clients impose restrictions on investing in certain securities or types of securities?

By their nature, financial planning services must be based on each client's individual needs to have any useful validity. Regarding managed accounts, as a fiduciary, an investment adviser is to make only those recommendations that demonstrably are in the client's own best interests, which means that they, too, must be based on an individual's stated and/ or established, individual needs, goals, risk tolerance and investment time horizon. The firm seeks to establish this personal dimension through a careful, fact-finding interview and discussions with each client.

Clients may impose reasonable restrictions on the adviser's discretion to invest in certain securities or types of securities if a client provides clear, written directions to that effect. Clients may opt to have their account managed on a non-discretionary basis. The client allows the power of discretion to an adviser by means of a limited power of attorney, which the client may revoke at any time.

4.D. We do participate in a wrap fee program providing portfolio management services. There is no difference in management style from other accounts, besides who pays the custodial charges. MPS LORIA will receive a portion of the wrap fee for our advisory services.

4. E. As of 11.07.2011, MPS-LORIA managed assets of \$393 million in a continuous and regular manner. 1,981 accounts are discretionary and valued at \$227 million; non-discretionary accounts number 3,886 and are valued at \$165.2 million. Our firm has the ability to establish both Discretionary and Non-Discretionary accounts. However, from November 2011, many accounts that were non-discretionary will be moved into discretionary accounts and all or nearly all new accounts MPS LORIA will manage only on a Discretionary basis.

Item 5 : Fees and Compensation. — How our firm is compensated

5.A. A description of the range of fees. [\[Advisers must respond to these items even if fees are disclosed in contracts.\]](#)
Are our fees negotiable?

Financial Plans

For clients desiring only a financial plan, or an analysis of their investment/ insurance situation, through the investment adviser, the firm offers to produce such a plan/ analysis for a maximum charge of \$200 per hour, charged in 6 minute increments. A qualified Principal of MPS-LORIA Financial Planners, LLC, has the ability to authorize a lower hourly fee.

Managed Accounts

For managed account services, the firm's representative and the client will negotiate the fee. The basis of an assessment is a percentage of the account assets under management.

NON-WRAP ACCOUNTS

Most accounts at MPS- LORIA are non-wrap accounts. Under this arrangement, clients will incur any trading or transaction costs TD charges. MPS LORIA Financial Planners, LLC charges an annual Advisory Fee quarterly in arrears and prorated. The general outline of what MPS LORIA charges as a Management fee is:

Management Fee	Account Size
- 1.25%	\$0 - \$999,000
- 1.00%	\$1 million - \$2,999,999 million
- 0.75%	\$3 million - \$4,999,999
- determined case by case	\$5 million +
- .20%	Accounts holding CDs and certain fixed income only

NOTE: A principal of the firm can authorize a different fee on a case-by-case basis.

WRAP ACCOUNTS : A Principal of firm must approve opening this type of account.

Under this arrangement, the Firm's sundry account is charged any TD Ameritrade/custodian transaction charges. MPS LORIA Financial Planners, LLC charges an annual Advisory fee quarterly in arrears and prorated. Below is a general outline of what MPS LORIA charges as a management fee:

Management Fee	Account Size
- 1.25%	\$0 - \$999,000
- 1.00%	\$1 million - \$2,999,999 million
- 0.75%	\$3 million - \$4,999,999
- determined case by case	\$5 million +
- .20%	Accounts holding CDs and certain fixed income only

NOTE: The above is a general guideline for advisory fees, a Principal of the Firm can authorize a different fee on a case by case basis.

5.B. . Disclosure : Does our firm bill its clients for the incurred advisory fees by :

- Sending an invoice to the client, OR Obtaining each client's signed permission to deduct the advisory fees from the client's account held by the custodian, OR
- May clients select either method of billing?

How often does the adviser assess fees (or bill clients)? We bill our fees quarterly.

Generally, our firm does practice "direct billing" that requires us to obtain a client's written permission to deduct our fees directly from the client's account held by the custodian. [See the ADV Part 1B, Item 2. I] For some few clients who have requested it, we send an invoice for payment of our advisory fees.

5.C. . Disclosure : Other types of fees or expenses clients may pay in connection with the advisory services. Clients should be aware that opening an investment account carries with it costs beyond the advisory fee(s) MPS-LORIA charges. When placing a transaction order to buy or sell securities, advisory clients may have to pay any or all of the following charges in addition to the advisory fees charged by this firm.

- Brokerage commissions
- custodian fees
- postage charges
- processing charges
- Ticket charges
- Early surrender
- Transfer fees
- administrative fees for investments in mutual fund fees,
- and 12b-1 fees in addition to administrative fees, and other marketing fees for mutual funds, paid to a broker dealer;
- account maintenance fees charged by a broker dealer for an account, especially if inactive.

TD Ameritrade's usual charges are :

STOCK TRADING

Household accounts over \$500,000 : a flat of \$9.99 a trade, unlimited size.

Household accounts under \$500,000 : a flat of \$15.99 a trade, unlimited. NOTE: A client can receive the \$9.99 rate for an account less the \$500,000 if the client chooses to "go paperless".

MUTUAL FUNDS

Household accounts over \$500,000 : a flat \$24 fee "IF" a fund has a transaction cost

Household accounts under \$500,000 : a flat \$31 "IF" a fund has a transaction cost.

NOTE: A client can receive the \$24 rate for an account under \$500,000 if the client chooses paperless transaction orders.

CD's and BONDS

TD does not have a direct transaction cost

PRIVATE PLACEMENTS

Cost is \$25 initially and \$25 annually

MPS-LORIA may be able to negotiate a lower rate. We direct clients to this brochure's Item 12 for further discussion of brokerage costs.

5.D. . Disclosure : Do clients pay fees in advance? How may a client obtain a refund of a pre-paid fee if the contract is terminated prior to a billed period's end? How will the amount of the refund be determined?

NO. MPS-LORIA bills its fees in arrears. The firm pro-rates fees for the actual period during which it has provided services. Cancellation of management services is effective five (5) working days or sooner after receipt of written notice of termination from a client. A Principal of MPS-LORIA Financial Planners, LLC, may terminate the contract/ investment advisory agreement within 5 days of written notice given to the client.

5.E. Disclosure : Does the firm or any of its supervised persons accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds? YES.

LORIA Financial Group, LLC is a Broker Dealer owned by Richard T. Loria, President and Managing Member, Michael F. Pauritsch, Principal and Member; Edward W. Mulcahy, Jr., Member, and Philip A. Salvador, Member. The latter three Members are also partners in Mulcahy, Pauritsch and Salvador, LTD, an accounting firm.

Mr. Loria's business activity time is equally apportioned between MPS-LORIA Financial Planners, LLC and the broker dealer. Mr. Pauritsch works primarily with MPS-LORIA Financial Planners, LLC and the Broker Dealer on an equal work time basis. The principal employment for both Mr. Mulcahy and Mr. Salvador will remain their accounting firm.

Disclosure 5.E.1. Whenever an investment advisory firm's representatives may earn a commission, or mutual fund management 12b-1 fees, or other forms of sales charges in their capacity as the registered representatives of a broker-dealer, that arrangement creates an incentive to recommend those sales and, as a consequence, an inherent possibility for a conflict of interest. An advisor is a fiduciary who is required to make only those recommendations for a client that solely are in the client's own best interest, uninfluenced by any calculation of personal gain. 529 accounts independent 12(b)-1

Our firm addresses this potential conflict of interest first by informing clients of the conflict in this disclosure brochure. Regarding our advisory representatives :

- most are salaried; if a salaried advisory representative is also a broker agent, the 12(b)-1 fees paid by any mutual fund (such as 529 accounts) will be paid to the related broker dealer as a

firm, not to the individual, thus diluting the incentive effect.

- Some are independent contractors who will receive the 12(b)-1 fees; Mr. Loria and the broker dealer supervise these agents' transactions, to include the frequency and amounts of 12(b)-1 fees received.
- Although we seek the ability to exercise discretion over clients' accounts, we do not in fact use any discretion, limiting ourselves to conferring with each client before effecting any planned recommendation.

We do not normally reduce our advisory fees to offset the commissions or markups [or commissions to offset fees.]

Disclosure 5.E.2. [Explain] Clients always have the option to purchase through unaffiliated broker-dealers and their agents those investment products our firm recommends

Disclosure 5.E.3 Does our advisory firm receive more than half its revenue from commissions and other sales-based compensation? No, our firm's sole business activity, in time and in revenues, is its fee-based advisory service.

Disclosure 5.E. 4. Do we charge advisory fees in addition to commissions or markups? We do, of course, charge advisory fees. That is how most investment advisers perform business. Our investment advisory firm is not also a broker dealer and therefore does not itself receive commissions or markups.

Other disclosures for this section : [If the adviser primarily recommends mutual funds, it must disclose whether it will recommend "no-load" funds.] Our firm does recommend primarily mutual funds to our clients. Those recommendations do include mostly "no-load" funds, which impose no commission or sales charge ("load") on the shareholder and are purchased directly from the fund company, rather than through a broker.

Item 6.:Performance-Based Fees and Side-By-Side Management.

Does our firm charge performance-based fees [fees based on a portfolio's increase in asset value] ? No, it does not. [See also: Form ADV Part 1A, Item 5. E. (6). Does our firm have a supervised person who manages an account that pays performance fees? No, it does not.

NOTE : Regulators have stated that performance fees can cause incentives for an adviser to manage a portfolio with an eye to short term gains only, including investments that are more speculative or have a higher risk of loss. They may also tempt an advisor to allocate more time to them than to other clients' portfolios due to the possibility of a higher fee. As a fiduciary, an investment adviser is to provide equitable treatment to each client's managed portfolio as if it were the adviser's own portfolio - within the investment parameters agreed to with the client.

Item 7. : Types of Clients.

Typically our clients include high net worth and other individuals, corporations and other businesses, and pension and profit-sharing plans. We are prepared to provide services to charitable organizations, estates, and trusts as well. We do not impose a minimum account size requirement on any client.

Item 8. : Methods of Analysis, Investment Strategies and Risk of Loss.

A. An adviser must describe its methods of analysis and investment strategies used in formulating its investment advice. It must explain in detail any unusual risks.

Caution : Investing in securities involves risk of loss.

An adviser must explain the material risks involved for each significant investment strategy or method of analysis used and particular type of security recommended, with more detail if those risks are significant or unusual (i.e., not otherwise apparent from reading the Brochure). A strategy or method of analysis is significant if the adviser uses the strategy or method in advising "more than a small portion of the adviser's clients' assets."

MPS LORIA generally follows an open architecture approach to building diversified portfolios for clients. Though each portfolio will differ based on the needs of the client, MPS LORIA's goal is to build portfolios that generate strong risk-adjusted returns and are consistent with the clients stated objectives and risk tolerance. To create consistency with advisors and client accounts we narrow the universe of investments down to those the firms feels offer the best options within certain asset classes. This process allows a level of due diligence to be performed on investments being offered to clients by the advisors. The following is a general outline of the portfolio management process.

1. Select from universe of mutual funds through the Morningstar Database using the Pertrac Analytical platform and/or Morningstar Principia software.
2. Screen for funds based on risk-return statistics relative to peers, including the following parameters:
 - Returns
 - Standard Deviation
 - Beta
 - Correlation
 - Up Capture
 - Down Capture
 - Sharpe Ratio etc.

Risk: There is inherent risk to using all these statistical measures due to the fact that in many cases they are based on historical information which is no guarantee on how they will react in the future. Beyond just economic risks there are risks such as specific industry risk and political risk. Additionally, in using mutual funds there is always management risk to the funds where a manager can be replaced or a fund company can be merged or sold. Using these statistics are utilized within the context that investors have a long term perspective to investing where these statistics can be used as a tool to understand risk and how a fund has performed over a reasonable period of time and how their addition to a portfolio will help create diversity or value.

3. Select funds based on ability to produce favorable risk adjusted returns and add diversification to portfolio.
4. Add to hypothetical model portfolio to assess impact on portfolio.
5. Discuss recommendation in routine meetings.
6. Approve fund for client portfolios.
7. Monitor fund performance through various means including participating in conference calls, fund presentations, Morningstar reports, and reviewing fund performance.

In formulating our investment advice, the firm uses financial newspapers and magazines, research prepared by others, corporate rating services, annual reports, prospectuses, filings with the SEC, and company press releases.

8. B. An advisor must explain the material risks involved in frequent trading if its strategy involves frequent trading of securities. An advisor must explain how frequent trading can affect performance. An

adviser is not required to discuss its cash balance practices.

What may be regarded as “frequent trading” varies according to

- the client and the strategy for that client’s specific account – one client may have multiple accounts that apply different strategies
- to the type of security or relative mix of securities involved
- and to the current nature of the market.

MPS-LORIA uses long term purchases (holding for a year or more), short term purchases (traded within a year) , trading (bought and sold within 30 days) and margin transactions (which tend to be of a shorter duration due to the cost of borrowed funds to purchase or sell short). All these tactics are intended to enhance the portfolio’s value and ability to meet a client’s stated goals. All trades will add some costs to be deducted from a client’s account and could reduce the overall return or growth in a client’s account.. To know that, an account’s value would have to be measured carefully against what its value would have been had the adviser not placed the transactions.

8.C. Do we recommend primarily a particular type of security? What are the material risks involved with that type of security? Are those risks unusual or significant? We primarily recommend no-load mutual funds . We are prepared to provide advice on most types of securities :

<u>Equity Securities</u>	<u>Notable risks</u> involved with this type of investment
exchange-listed securities	Market fluctuations can bring losses, lower dividends
over-the-counter securities	More susceptible to market fluctuations; higher risk
foreign issuers	May not be subject to US financial reporting standards; higher risk
Corporate debt securities	Same as exchange listed, corporate bonds involve credit risk
Certificates of deposit	Limited liquidity
Municipal securities	Same as exchange listed; It is possible that they can default
Investment company securities	
variable life insurance	Insurance company could go out of business; the value of the subaccounts are subject to market fluctuation and loss
variable annuities	Same as variable life
mutual fund shares	Market fluctuations can bring losses; various fees
US government securities	Returns can be low or even, rarely, negative. As hedge against equity market risk, mirror them.
Options contracts on	Market fluctuations can bring losses; must make transaction to realize profits; contract expires worthless
Securities or commodities	
<u>Interests in partnerships investing in</u>	
real estate	Historically prone to bubbles and after effects; may lose entire amount invested; not covered by SIPC
oil and gas interests	A notably volatile industry sector; same as above
Other :	May lose entire amount invested, not SIPC covered

Item 9 :Disciplinary Information. No yes answers in 1A’s #11 /

What facts about any legal or disciplinary event involving our firm or its personnel should you know of, because it is material to an evaluation of the integrity of our firm or its management persons?

The SEC requires that we inform you, our client, if our firm or any of our management persons has been involved in any of the events listed below in 9. A, B, and C. and, beyond those points, if there is any material fact about any legal or disciplinary event that you should know about in order to evaluate our integrity.

You may also see these same questions answered online at the investment adviser public disclosure site (IAPD), in Part 1A, Item 11.

Has our firm or any of our management persons been involved in :

9. A. A criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which our firm or a management person :

1. was convicted of, or pled guilty or *nolo contendere* ("no contest") to

(a) any felony? **No, our firm has not and no one in our firm has been.**

(b) a misdemeanor that involved investments or an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion? **No, our firm has not and no one in our firm has been.** or

(c) a conspiracy to commit any of these offenses? **No, our firm has not and no one in our firm has been.**

2. is the named subject of a pending criminal proceeding that involves an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses? **No, our firm has not and no one in our firm has been.**

3. was found to have been involved in a violation of an investment-related statute or regulation? **No, our firm has not and no one in our firm has been.** or

4. was the subject of any order, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, our firm or a management person from engaging in any investment-related activity, or from violating any investment-related statute, rule, or order? **No, our firm has not and no one in our firm has been.**

9. B. An administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority in which our firm or a management person -

1. was found to have caused an investment-related business to lose its authorization to do business? **No, our firm has not and no one in our firm has been.** or

2. was found to have been involved in a violation of an investment-related statute or regulation and was the subject of an order by the agency or authority

(a) denying, suspending, or revoking the authorization of your firm or a management person to act in an

investment-related business? **No, our firm has not and no one in our firm has been.**

(b) barring or suspending our firm's or a management person's association with an investment-related business? **No, our firm has not and no one in our firm has been.**

(c) otherwise significantly limiting our firm's or a management person's investment-related activities? **No, our firm has not and no one in our firm has been.** or

(d) imposing a civil money penalty of more than \$2,500 on our firm or a management person? **No, our firm has not and no one in our firm has been.**

9. C. A self-regulatory organization (SRO) proceeding in which our firm or a management person

1. was found to have caused an investment-related business to lose its authorization to do business?
No, our firm has not and no one in our firm has been. or

2. was found to have been involved in a violation of the SRO's rules and was:

(i) barred or suspended from membership or from association with other members, or was expelled from membership? **No, our firm has not and no one in our firm has been.;**

(ii) otherwise significantly limited from investment-related activities? **No, our firm has not and no one in our firm has been.** or

(iii) fined more than \$2,500 - **No, our firm has not and no one in our firm has been..**

Item 10 :Other Financial Industry Activities and Affiliations. What material relationships does our firm or any of our management persons have with related financial industry participants? What material conflicts of interest may arise from these relationships and how are these conflicts addressed?

A. Have we, or has any of our management persons, registered either as a broker-dealer or as the representative of a broker-dealer? / OR, Do we or any management person have such a registration pending? YES.

LORIA Financial Group, LLC is a Broker Dealer owned by Richard T. Loria, President and Managing Member, Michael F. Pauritsch, Principal and Member; Edward W. Mulcahy, Jr., Member, and Philip A. Salvador, Member. The latter three Members are also partners in Mulcahy, Pauritsch and Salvador, LTD, an accounting firm. Mr. Loria's business activity time is equally apportioned between MPS-LORIA Financial Planners, LLC and the broker dealer.

The affiliated LORIA Financial Group, LLC offers a variety of insurance and investment products to its clients. Advisory clients for whom insurance and investment products are recommended will be referred to LORIA Financial Group, LLC. An advisory client is under no obligation to follow the recommendation nor to use the recommended firm.

Mr. Loria, Mr. Pauritsch and other advisory representatives who are also registered representatives of the related broker dealer may earn a portion of the commissions clients pay for transactions whenever an advisory client chooses to use one of them for that purpose. The additional income that service generates creates an incentive to recommend it and an inherent risk for a conflict of interest.

We address this issue by disclosing the risk to our clients.

Mr. Pauritsch works primarily with MPS-LORIA Financial Planners, LLC and the Broker Dealer on an equal work time basis. The principal employment for both Mr. Mulcahy and Mr. Salvador will remain their accounting firm.

B. Have we, or has any of our management persons, registered as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of any of these entities named here? OR, Do we or any management person have such a registration pending?

No, none of this item applies to our firm.

C. Do we have any "related person" – a person or a firm that we control or that controls us through ownership or as an officer – with whom we have a material relationship, any arrangement that may cause a conflict of interest when providing our clients with investment advice? YES.

In 10. B., above, we noted our related broker dealer, LORIA Financial Group, LLC. In addition, the accounting firm of **Mulcahy, Pauritsch, & Salvador** is affiliated with the investment advisor through three members. Advisory clients requiring accounting services will be referred by the investment advisor to the affiliated accounting firm. The referral creates an inherent risk for a conflict of interest due to the accounting fees that the partners may earn. No client is obliged either to follow the recommendation of the service or of the specific firm.

Otherwise, our firm has no other related person that is a :

- Municipal Securities Dealer
- Government Securities Dealer or Broker
- An investment company or other pooled investment vehicle
- including a mutual fund,
- closed-end investment company
- unit investment trust
- private investment company
- hedge fund
- offshore fund
- another investment adviser/ financial planner
- a futures commission merchant, commodity pool operator or commodity trading advisor
- a bank or a thrift institution
- a lawyer or a law firm
- an insurance company or agency
- a pension consultant
- a real estate broker or dealer
- a sponsor or syndicator of limited partnerships.

An adviser's **related persons** are: (1) the adviser's officers, partners, or directors (or any person performing similar functions); (2) all persons directly or indirectly controlling, controlled by, or under common control with the adviser; (3) all of the adviser's current employees; and (4) any person providing investment advice on the adviser's behalf.

The risk for a conflict of interest in any such arrangement lies in the compensation to be received; it creates an incentive to recommend the service.

D. Do we recommend or select other investment advisers for our clients? No. We do not. [If an adviser selects or recommends other advisers for clients, the adviser must disclose any compensation arrangements or other business relationships between the advisory firms that create material conflicts of interest between the adviser and its clients along with a discussion of the conflicts and how they are addressed.](#)

Do we receive compensation from those other advisers for our referrals? No; this does not apply. The compensation advisers may receive, clients should note, creates an incentive to make the recommendation and thereby an inherent risk for a conflict of interest. We address this possible conflict of interest first by bringing it to our clients' attention and by disclosing that this does not apply to our firm.

Do we have any other business relationships with these advisers that also could cause a conflict of interest and, if "yes," how do we address them? NO. We do not.

Item 11. Code of Ethics / Advisory Persons' own trading and possible personal interest in our clients' trades.

A. As required by SEC rule 204A-1 or similar state rules our firm has adopted a Code of Ethics. The firm has created a Code of Ethics (March 2006) which addresses primarily issues involved in monitoring proprietary trading activities. A copy is available upon written request

Please note that using any insider information, information that is not readily available to all participants in the securities markets (upon making a reasonable effort to obtain that information), for any person, ourselves or relatives or clients or any other person, is strictly illegal and punishable by fines and

imprisonment.

How our firm controls sensitive information:

- Building security : visitor screening, passkeys that monitor who accesses the building,
- office doors lock
- locked cabinet files
- password protected computer screens and databases; computers “sleep” if left unused.
- fire prevention equipment
- office area under continual supervision.

11. B. [also in Form ADV Part 1A, Item 8. (1)(2) (3)]

Does our firm or a related person recommend to our clients, or do we buy or sell for our clients' accounts, securities in which we or a related person has a material interest?

Our firm and/ or its associates **do**

- buy or sell for the firm or for themselves securities (other than shares of mutual funds) that we also recommend to our advisory clients;
- buy or sell for the firm or for themselves shares of mutual funds that we also recommend to our advisory clients;
- invest or are permitted to invest in securities related to those we may recommend to clients, such as derivatives

Our firm and its associates **do not**

- buy securities for the firm or for themselves from advisory clients (principal transactions);
- sell securities the firm or its associates own to advisory clients (principal transactions);
- in their capacity as a broker/ dealer agent, transact purchases or sales of any client's securities directly to any other person (an “agency cross transaction” that side-steps using a securities market place)
- recommend securities (or other investment products) to our advisory clients in which our firm or any person or other firm related to our firm has some other proprietary (ownership) or other financial interest.
- Act as an investment adviser to an investment company that we recommend to our clients.

Disclosure is not required for securities that are not “reportable securities” (such as shares in unaffiliated mutual funds). This summary should provide enough information for the client to determine if it would like to read the full code of ethics and to understand generally the adviser's ethical culture and standards. If ‘yes’ > describe the firm's practice and discuss the conflict of interests it presents. Describe generally how you address conflicts that arise.

An adviser must also disclose (i) if it or a related person recommends to clients, or buys and sells for client accounts, securities in which it has a material financial interest; (ii) personal trading by the adviser and its related persons (including whether the adviser and its related persons invest or are permitted to invest in the same securities recommended to clients, or in related securities, such as derivatives).

11. C. **Personal Trading.** : investing in the same or related securities

Does our firm permit itself, its personnel, or a person related to our firm (by ownership or other forms of control) to invest in the same securities that we recommend to our clients, or in securities that are related to those securities, such as options or other derivatives?

[the ADV 2B must discuss the conflicts presented and describe how the firm addresses them.]

Yes, we do allow it. Mr. Loria and Mr. Pauritsch, as well as other advisory representatives or agents of the related Broker Dealer, may from time to time for their own accounts purchase or sell securities that are the same as, similar to, or the opposite of those recommended to a client. When applicable or

appropriate, we inform a client of the representative's positions in such investments. We will always complete a client's transactions prior to entering a similar order for any proprietary accounts. Accounts of persons affiliated with the firm are in securities that are widely held and publicly traded; as such the activity of proprietary transactions is of negligible market effect; the possibility of a conflict of interest between the interests of the firm and any client is also negligible.

When our firm or its personnel buy or sell securities for their own accounts, we will always place clients' orders before our own; we never aggregate or "bunch" our orders with clients' orders. As most of our orders are mutual funds, we do not normally require a minimum time lapse of between placing our clients' orders and placing our own orders in the same securities.

We enforce these guidelines by making the policy known to personnel. The issue has to date not presented itself as stock trades are few.

The possible conflicts of interest that arise whenever we recommend, or, in our discretion, buy or sell for you a security that we may also buy or sell for ourselves are

- using your order's market effect to benefit ourselves ("front running");
- using your order as "inside information" that would give us an unfair advantage in the markets to benefit ourselves or any other person (which is an illegal act);
- gaining a lower brokerage cost for ourselves in bunching orders, which can create an incentive to involve your account in that transaction.

Does any person in our firm participate in or have an interest in our clients' transactions? How does such a person participate or what is the interest and what conflicts of interest can that create? No, we do not.

No one in the firm has a financial interest in any investment transaction the firm recommends to its clients. Examples of such interests would include an adviser recommending that clients invest in a pooled investment vehicle that the firm advises or for which the investment adviser serves as the general partner, or when an adviser with a material financial interest in a company recommends that a client buy shares of that company.

["Participation or interest in Client Transactions" means the adviser or a related person recommends to clients, or buys or sells for client accounts, securities in which the adviser or a related person has a material financial interest.]
SEC NOTE : Conflicts could arise if an adviser recommends that clients invest in a pooled investment vehicle that the firm advises or for which it serves as the general partner, or when an adviser with a material financial interest in a company recommends that a client buy shares of that company.

11. D. **Personal Trading**. : investing in the same or related securities at the same time.

What specific conflicts do we have when our firm or a related person trades in the same securities at or about the *same time* as it places trades for a client's account?

Our practice is to place clients' trades first and to complete a client's transactions prior to entering a similar order for any proprietary accounts. Most client trades are in mutual funds.

"The SEC generally dislikes 'contemporaneous' trading," that is, that anyone in our firm might enter an order for her or his own account at the same time as an order in the same security for a client. Note that these restrictions are not applied to investments in mutual funds that are unaffiliated with our firm. Unaffiliated means a mutual fund that we have not ourselves created or helped establish and/ or in some way act as the fund's managers.

The SEC has stated that "an adviser's ability to place its own trades before or after client trades in the

same security may affect the objectivity of the adviser's recommendations" and therefore states further that the SEC believes *disclosure of this practice* is warranted. The SEC has not in that opinion stated a specific length of time before or after. In that respect it could also be noted conversely that clients might have reservations in employing an adviser who does not invest in the same securities the adviser recommends.

What internal controls do we have to prevent our firm and/ or our staff from buying or selling the same or related securities at the same time as we may be placing orders for our clients' accounts? We state that client trades should precede our own, noting that most trades, however, are in mutual funds that do not allow any front-running effect.

Item 12 :Brokerage Practices.

12. A. Does our firm select a broker/ dealer for you? On what basis do we do so? How do we determine the reasonableness of the broker's compensation (commission charges)?

We do recommend one or more specific broker-dealers for our clients' transactions. The investment adviser recommends to its clients the use of LORIA Financial Group, LLC, (not a custodial broker/ dealer) for Broker Dealer services. The rates charged by LORIA Financial Group, LLC are comparable to those of other broker dealers; rates will vary according to the types and amounts of securities and other factors. A client is not obligated to use the services of LORIA Financial Group, LLC in effecting the investment adviser's recommendations.

The firm has arranged to use the brokerage services available through Charles Schwab & Company, Inc. In recommending these brokerage services to its clients, MPS-LORIA not only takes into consideration Schwab's name recognition, size and proven track record in servicing clients, but also uses Schwab for certain strategies through sub-advisors. Clients should always consider that commission rates at Schwab may be higher, lower or the same as those available to them through other broker/ dealers for the same or essentially similar services. No client is obligated to use the brokerage services chosen by the investment adviser; the adviser must, however, have agreements with any other broker/ dealer a client may wish to use before the firm can place trades through that broker/ dealer.

The firm may recommend TD AMERITRADE to clients for custody and brokerage services. MPS-LORIA participates in the TD AMERITRADE Institutional program. TD AMERITRADE Institutional is a division of TD AMERITRADE, Inc. ("TD") member FINRA/SIPC. TD is an independent and unaffiliated SEC-registered broker-dealer.

12. A. 1. Research and other "Soft Dollar" benefits : Do we have any conflicts of interest such as receiving "soft dollars" from the broker/ dealer? [\[The description must be specific enough for clients to understand the types of products or services the adviser acquires \(and must include proprietary and third-party research\), and to permit clients to evaluate possible conflicts of interest. It must be more detailed for products or services that do not qualify for the safe harbor under Section 28\(e\) of the Securities Exchange Act.\]](#)

Yes, we do. TD offers to independently registered investment advisers services which include custody of securities, trade execution, clearance and settlement of transactions. MPS-LORIA receives some benefits from TD through its participation in the program.

TD Ameritrade ["TD"] is one of the largest brokerage houses in the country. Through TD, MPS-LORIA Financial Planners, LLC, offers a client the ability to buy and sell most types of equity and debt securities.

These accounts can be handled in a discretionary or non-discretionary basis, according to client preference. An account can be handled on fee that is a percentage of the assets or simply on a flat fee based on assets under management and debited quarterly from a client's account. MPS-LORIA Financial Planners participates in the TD AMERITRADE INSTITUTIONAL program. [TD AMERITRADE INSTITUTIONAL is a division of TD AMERITRADE, Inc., a FINRA/ SIPC member and an independent and unaffiliated SEC-registered broker-dealer.].

We receive the following soft dollar benefits from a broker-dealer : TD provides some reimbursement for technology related expenses. This reimbursement is paid directly to the technology vendor.

TD AMERITRADE, Inc. (or "TD AMERITRADE") provides MPS-LORIA Financial Planners with services that include custody of securities, trade execution and clearance and settlement of transactions. MPS-LORIA receives benefits from TD AMERITRADE through its participation in the program noted above. Advisor and TD Ameritrade have entered into a separate agreement ("Additional Services Addendum") to govern

the terms of the provision of the Additional Services.

TD Ameritrade provides the Additional Services to Advisor in its sole discretion and at its own expense, and Advisor does not pay any fees to TD Ameritrade for the Additional Services. MPS-LORIA and TD Ameritrade have entered into a separate agreement ("Additional Services Addendum") to govern the terms of the provision of the Additional Services.

The "Additional Services" that MPS-LORIA receives raise potential conflicts of interest. In providing Additional Services to MPS-LORIA, TD Ameritrade most likely considers the amount and profitability to TD Ameritrade of the assets in, and trades placed for, MPS-LORIA's client accounts maintained with TD Ameritrade. TD Ameritrade has the right to terminate the Additional Services Addendum with MPS-LORIA, in its sole discretion, provided certain conditions are met. Consequently, in order to continue to obtain the Additional Services from TD Ameritrade, MPS-LORIA may have an incentive to recommend to its clients that the assets under MPS-LORIA's management be held in custody with TD Ameritrade and to place transactions for its clients' accounts with TD Ameritrade.

The brokerage commissions and custodial fees generated at TD may benefit MPS-LORIA Financial Planners as the advisory affiliate of its own broker/ dealer. TD Ameritrade has the right to terminate the Additional Services Addendum with Advisor, in its sole discretion, provided certain conditions are met.

MPS-LORIA also receives from TD Ameritrade certain additional economic benefits ("Additional Services") that may or may not be offered to any other independent investment advisors participating in the program. Specifically, the Additional Services include SPT Portfolio Services and Tamarac Inc. for a total of \$50,000 per year. Of the \$50,000 roughly \$28,000 is paid towards SPT Portfolio Services and \$22,000 is paid towards Tamarac Inc.

MPS-LORIA, as a fiduciary, has an undiminished duty to act in its clients' best interests, including a duty to seek best execution for its clients' accounts' trades, despite the receipt of any "Additional Services" such as those available through TD.

Once again, MPS-LORIA wishes to disclose : "in order to continue to obtain the Additional Services from TD Ameritrade, the investment advisor may have an incentive to recommend to its clients that the assets under MPS-LORIA's management be held in custody with TD Ameritrade and to place transactions for client accounts with TD Ameritrade. MPS-LORIA's receipt of Additional Services does not diminish its duty to act in the best interests of its clients, including to seek best execution of trades for client accounts." Research received through arrangements with TD Ameritrade may be used for all advisory

clients as applicable to their individual situations.

Required disclosures / explanations:

- a. If an adviser uses client brokerage commissions (or markups or markdowns) to obtain research or other products or services, the adviser receives a benefit in not having to produce or purchase them itself.
- b. Any such benefit creates an incentive to select or recommend the broker-dealer that provides it; an adviser's duty is to select a broker-dealer based on the most favorable execution services for the adviser's clients.

[c.] Do we "pay up" to obtain soft dollar benefits (that is, do we pay more than the lowest available commission rate)? Do we make our clients pay commissions (or markup or markdowns) higher than those charged by other broker-dealers in return for "paying-up"? No, we do not, but do please note that benefits the investment advisor or its associated persons receive do not depend upon the amount of brokerage transactions directed to TD, but may, nonetheless, create an incentive – and thereby a potential conflict of interest – to use TD in preference to other brokerage services that charge lower commissions for essentially the same services.

[d.] Do we use soft dollar products, research or other items for the benefit of all our clients or only certain clients? Do we allocate benefits proportionately to accounts as those accounts generate the soft dollars by our directing brokerage to a specific broker-dealer? Any benefits we receive we use for all our clients equally, as applicable.

[e.] The types of products, services or other benefits our firm or any of its related persons acquired in our firm's last fiscal year due to directing our clients' brokerage to TD, in addition to research, may include :

- Access to mutual funds with no transaction fees;
- Access to an electronic communications network for client order entry and account information;
- Discounts on compliance; marketing, technology and practice management products or services provided by third party vendors;
- Consulting services;
- Marketing tools and research related products;
- Duplicate client statements and confirmations;
- Direct billing to accounts held by the custodian; FAdvisor
- Technology and
- Practice management products, or
- Services provided by third party vendors.

There exists a potential conflict of interest in this relationship in that MPS-LORIA Financial Planners may recommend TD to its clients for custody and brokerage services. The firm receives economic benefits through its participation in the program, which may include any one of more of the above products or services, provided without cost or at a discount.

[f.] The procedures our firm used during its last fiscal year to direct our clients' transactions to a particular broker-dealer in return for soft dollar benefits received were :

- We sign clients on with TD Ameritrade for nearly all our clients' accounts due to the research we performed to select a good custodian for our clients. The selection was not based on the benefits we receive, but on the custodial services available to our clients.

Clients need to understand that “soft dollars” are an enticing benefit for an adviser in so far as they provide access to research and / or other products both of use to the adviser in its business and at no expense to the adviser. Clearly, such an enticement creates an incentive to use the broker-dealer in question and may cause the adviser to use a broker that charges the adviser’s clients higher commission rates than another broker-dealer.

An adviser has a duty to seek the best execution of trades for its clients, which includes considerations in addition to the commission rate, however.

Are there additional, material conflicts of interest involved in our use of directed brokerage, due to a relationship with the broker-dealer? No, none that we know of.

12. A. 2. Brokerage for client referrals : Do we direct brokerage to a specific broker-dealer in return for client referrals either to our firm or to a related firm? [*includes referrals from a BD or other third party.*] No, we do not.

The inherent conflict of interest in this practice stems from an adviser’s fiduciary duty to the client to put the client’s interests first. The referrals create an incentive to use the broker-dealer not for the services a client will receive, but due to the benefit to the advisory firm. Directed brokerage may result in brokerage costs that are higher than a client might obtain from another broker-dealer.

What procedures did we use during our last fiscal year to direct brokerage to TD Ameritrade or Schwab? No, we have no “procedure” other than having chosen them for their custodial services for our clients.

12. A. 3.

[a] Do we “routinely recommend, request or require” our clients to direct brokerage? Yes. We consistently recommend either TD Ameritrade or Schwab to be the custodian for our clients’ accounts.

Clients should know that not all advisers do require directed brokerage.

Is the broker-dealer in question an affiliate of our firm or have some other economic relationship? No. By directing brokerage an adviser may not be able to achieve the most favorable execution for client transactions, at an increased cost to our clients than they might have incurred with another broker-dealer.

[b] Do we permit a client to direct brokerage to a specific broker-dealer? No. Our practice is to transfer their account holdings to either TD Ameritrade or to Schwab. Clients should understand that their choice of broker-dealer may lead to higher brokerage costs than they might have otherwise obtained, due to higher rates or an inability to aggregate orders and thereby reduce transaction costs.

[If the firm provides directed brokerage arrangements only subject to most favorable execution of client transactions, then “do not need to” use the blue statements above in 12. A. 3. A & b]

12. B. When we place orders with a broker/ dealer for our clients, do we aggregate or “bunch” your trade order with orders for other clients? We do not. Most trades are in mutual funds. [*Finally, an adviser must disclose its trade aggregation practices. If the adviser has the opportunity to but does not aggregate trades, it must disclose that clients may therefore pay higher brokerage costs.*]

Item 13 :Review of Accounts.

13. A. Does someone in our firm review your investment account portfolio and how often?

Rick Loria, the firm's Managing Member-President-Principal, and Michael F. Pauritsch, Principal, are the primary reviewers of client accounts. At their discretion, they may delegate review of a client's account to another qualified member of MPS-LORIA Financial Planners, LLC, as they deem appropriate.

An advisory representative will review each account regularly, at least semi-annually.

13. B. What factors might trigger a review in addition to our periodic reviews?

Certain accounts or groups of accounts may be reviewed in the event of significant changes in the markets or due to socio-political factors deemed to affect those accounts. Changes in a client's expressed goals, needs, or financial condition may also trigger an in-depth review of a specific client account. Clients are encouraged to maintain regular contact with the investment adviser to their account(s), especially to keep the firm informed of any changes in the client's status.

13. C. What regular reports do we or others provide you? Are they written reports? What do they contain? The broker(s) and investment company or companies carrying a client's account(s) send confirmations of each transaction directly to the client. They usually also send monthly account statements to a client.

The written monthly statements summarize all activity in the account, to include : transactions; dividends, funds deposited, transferred and/ or withdrawn, securities receipt and delivery, and all charges and credits.

If an account has no activity in any specific month, the firm in question may not issue a monthly statement. In instances where an account is inactive for an extended period of time, the custodian will issue quarterly statements.

Item 14 :Client Referrals and Other Compensation.

A. Does someone other than a client of our firm pay our firm or related persons, or otherwise provide some economic benefit to our firm, for the investment advice we provide to our clients? [\[12b-1 fees; other; sales awards or prizes\]](#) Yes. Advisory representatives who are also registered representatives of the related broker dealer may receive 12(b)-1 fees if they place an advisory client's investments in mutual funds. Orders placed with TD Ameritrade do not provide 12(b)-1 fees to Loria. In many instances it is the related broker dealer, not the person, who receives the fee. The payment creates an incentive to recommend such funds and thereby a potential conflict of interest. An investment adviser is to recommend to its clients only those investments that are in the client's own best interest, free of any taint of the influence that the prospect of additional income may exert.

B. Does our firm or a firm related to us through some form of ownership pay someone, directly of indirectly, for client referrals? Yes, we do.

1. MPS-LORIA Financial Planners, LLC, pays a one-time, nominal fee to members of the accounting firm of Mulcahy, Pauritsch, & Salvador who refers a client to the investment advisor.
2. MPS-LORIA is not affiliated through any ownership with Bridgeview Bank Group, an Illinois state chartered bank that has its main office in Bridgeview, IL and has 15 branch offices in the greater Chicago region.

The adviser does have agreements with Bridgeview Bank to use the bank's offices to solicit clients for advisory services. The solicitors must identify themselves as such to clients referred for advisory services and clients will be asked to sign an acknowledgement of receiving both that disclosure that they are paid solicitors, and a copy of this ADV Part II and Schedule F. In order to provide such referral services in Illinois and many other states, the persons acting as solicitors will be registered as representatives of MPS-LORIA or its affiliated broker/ dealer; if these persons are bank employees, they will remain employees of the bank although they are registered under the investment adviser or its affiliated broker/ dealer. Other solicitors will be employees of the firm, but not of the bank. No person referred is under any obligation to agree to pay for advisory services or to obtain desired services through MPS-LORIA.

Item 15: Custody.

Does our firm have custody of your assets? MPS-LORIA practices one form of custody : "Direct Billing." The practice of "direct billing" has been defined by the SEC as a form of custody, but also as a "modern practice" that does not require annual audits. Direct billing also requires that the client receive at least quarterly statements from the account custodian, showing the advisory fee.

The Qualified Custodian for client accounts is TD Ameritrade ["TD"]. The custodian will send to you either a quarterly or monthly account statement. NOTE : These statements should be reviewed carefully. It is not the custodian's responsibility to ascertain the accuracy of the calculation for fees subtracted from your account.

Where an adviser has custody of client assets and a qualified custodian distributes quarterly (or more frequent)⁴ financial statements, the adviser must explain that clients will receive statements directly from qualified custodians, and the statements should be reviewed carefully. Additional disclosure is required if the adviser also sends account statements directly to clients.

Item 16 :Investment Discretion.

A. Does our firm have discretionary authority over your assets? YES. MPS-LORIA does have the ability to exercise discretion over its clients' accounts. Our firm has the ability to establish both Discretionary and Non-Discretionary accounts. However, from November 2011, many accounts that were non-discretionary will be moved into discretionary accounts and all or nearly all new accounts MPS LORIA will manage only on a Discretionary basis.

What limitations are there, or can you place, on our discretionary authority?

Suitability parameters, as the client and the adviser establish in the initial interview, are the over-riding limitation on any discretion. Also, to exercise discretion, the firm must first obtain each client's written and signed permission to be able to do so, using a Limited Power of Attorney for that stated purpose. A client may revoke the permission at any time. For any client choosing to allow the investment adviser discretion with regard to the client's account(s), the firm will select securities in amounts it determines to be appropriate investments in keeping with the client's stated guidelines. A client will always be informed of all such transactions through the confirmations which are sent from the custodian firm promptly after the transaction. Except for participation in TD's program, or unless otherwise directed by the client, the broker dealer used to effect such transactions will be the affiliated LORIA Financial Group, LLC, whose commission rates are disclosed to the client prior to signing an investment advisory agreement.

Item 17. : Voting Client Securities..— proxy voting practices

A. Does our firm have or will it accept authority to vote client securities? NO. Our policies and procedures manual, our agreements and this disclosure brochure all will state :

“Clients should note that the advisor does not undertake to vote any proxies attached to the investments a client may have. It remains the client’s right to vote all proxies; voting proxies is an important means for the investor to understand the companies in whose securities she/ he is invested.”

B. This is our policy and our procedures : that we do not vote proxies. Our firm does not vote its clients’ proxies. We state this in our agreement and here in these disclosures. Our firm urges our clients to read and participate in the voting process tied to the shares they own in various companies as an excellent means for our clients to become familiar with those companies in which they are invested.

Item 18 :Financial Information.

A. Custody situations : Does our firm have custody of your funds or your securities investments? No.

- Do we require prepayment of a fee of \$500 (\$1200 for an SEC registrant) or more, 6 or more months in advance of services? We do not.
- Do we practice “Direct Billing” (charging our fees to your account)? We do practice “direct billing” as described above in Item 15 : “Custody”
- Do we or someone in our firm act as the trustee for an advisory client? No, we do not.

18. B. Financial difficulties : If our firm has discretionary authority over your assets [see Item 16] or custody of our clients’ securities or funds, or require or solicit prepayment of fees of \$1,200 or more (for SEC registrants, but only \$500 or more for state registrants), six or more months in advance, then we must disclose if there is any financial condition reasonable likely to impair our firm’s ability to meet its contractual commitments to its clients.

Does our firm have any financial condition that could reasonably seem likely to impair our ability to meet our contractual commitments to you, our client? This question is important, especially if an investment adviser has discretion, custody or both; if our financial condition were precarious, our clients would be exposed to increased risks that we might not manage their assets properly, according to the SEC. Prepaid fees might not be refunded if an advisory firm were to cease being able to do business due to insolvency. No, it does not.

18. C. Has our firm been the subject of a bankruptcy petition during the last 10 years? No, it has not.

Item 19 :State Registrant Information. [*not applicable*]

If you are registering or are registered with one or more *state securities authorities*, you must respond to the following additional Item.

- A. Identify each of your principal executive officers and *management persons*, and describe their formal education and business background. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item. See Item 4, above and the parts 2B for Loria (below) and Mulcahy, Pauritsch and Salvador
- B. Describe any business in which you are actively engaged (other than giving investment advice) and the approximate amount of time spent on that business. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item. . [see Item 10: Other Financial Industry Affiliations]
- C. In addition to the description of your fees in response to Item 5 of Part 2A, if you or a *supervised person* are compensated for advisory services with *performance-based fees*, explain how these fees will be calculated. Disclose specifically that performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the *client*. This does not apply to our firm.
- D. If you or a *management person* has been *involved* in one of the events listed below, disclose all material facts regarding the event. This does not apply to our firm.
 - 1. An award or otherwise being *found* liable in an arbitration claim alleging damages in excess of \$2,500, *involving* any of the following:
 - (a) an investment or an *investment-related* business or activity;
 - (b) fraud, false statement(s), or omissions;
 - (c) theft, embezzlement, or other wrongful taking of property;
 - (d) bribery, forgery, counterfeiting, or extortion; or
 - (e) dishonest, unfair, or unethical practices.
 - 2. An award or otherwise being *found* liable in a civil, *self-regulatory organization*, or administrative *proceeding involving* any of the following:
 - (a) an investment or an *investment-related* business or activity;
 - (b) fraud, false statement(s), or omissions;
 - (c) theft, embezzlement, or other wrongful taking of property;
 - (d) bribery, forgery, counterfeiting, or extortion; or
 - (e) dishonest, unfair, or unethical practices.
- E. In addition to any relationship or arrangement described in response to Item 10.C. of Part 2A, describe any relationship or arrangement that you or any of your *management persons* have with any issuer of securities that is not listed in Item 10.C. of Part 2A. This does not apply to our firm.

Part 2B: The Brochure Supplement : Here we provide information about advisory personnel on whom you rely for investment advice. We must provide this supervised person's supplement to you, our client initially at or before the time when *that* specific supervised person begins to provide you with advisory services.

Item 1. Cover Page.

This brochure supplement provides information about Richard T. Loria that supplements the MPS-LORIA Financial Planners, LLC brochure. You should have received a copy of that brochure. Please contact Sue Stachowiak if you did not receive MPS-LORIA Financial Planners, LLC's brochure or if you have any questions about the contents of this supplement. Additional information about Rick Loria is available on the SEC's website at www.adviserinfo.sec.gov.

Richard Thomas. Loria

Born March 1968

Crd # 2178578

Item 2. Educational Background and Business Experience

Richard T. Loria, the firm's President and Managing Member, was born in March, 1968. He studied at Southern Illinois University, at Oakton Community College in Des Plaines, and at Michigan State University in Lansing, where he earned a Bachelor of Science degree. He also graduated from the College of Financial Planning.

Mr. Loria was employed at John Hancock Financial from December of 1990 to 1995 as a registered representative. From October of 1995 through 1999, he was a registered representative of Washington Square Securities of Minneapolis.

He is the Managing Partner, President / Principal and Chief Compliance Officer for MPS-LORIA, as well as an advisory representative (from 2006).

He is also the President and Managing Member of LORIA Financial Group, LLC, a Broker Dealer.

Item 3. Disciplinary Information. In the investment adviser public disclosure site one may find the following disclosures regarding Mr. Loria. "This Investment Adviser Representative is currently registered in **1** jurisdiction. Is this Investment Adviser Representative currently suspended with any jurisdiction? **No**
Are there events disclosed about this Investment Adviser Representative? **No**"

Item 4. Other Business Activities. As noted above and in the ADV Part 2A, Mr. Loria is an owner, a principal and a registered representative of a broker dealer, LORIA Financial Group, LLC. Advisory clients who choose to use Mr. Loria or other representatives of the broker dealer will pay commissions to the related broker dealer; the compensation creates a risk for a conflict of interest if the adviser recommends the related broker dealer's services.

Item 5. Additional Compensation. Mr. Loria receives no other forms of income outside the investment adviser and the broker dealer.

Item 6. Supervision. Mr. Loria is the firm's principal, managing partner and President; he is largely his own supervisor. He maintains on file in the firm's offices reports of his proprietary trading activities and the formulation of his recommendations for the regulator to review at will. His proprietary trading activities are reviewed by Michael Pauritsch..

Item 7. State Registration requirements Mr. Loria maintains his registration as a representative of the advisory firm in ILLINOIS. None of the disciplinary or regulatory events noted under this item applies to Mr. Loria. He has not been the subject of a bankruptcy filing in the past 10 years.

Part 2B: The Brochure Supplement : Here we provide information about advisory personnel on whom you rely for investment advice. We must provide this supervised person's supplement to you, our client initially at or before the time when *that* specific supervised person begins to provide you with advisory services.

Item 1. Cover Page.

This brochure supplement provides information about Edward W. Mulcahy, Jr. that supplements the MPS-LORIA Financial Planners, LLC brochure. You should have received a copy of that brochure. Please contact Sue Stachowiak if you did not receive MPS-LORIA Financial Planners, LLC's brochure or if you have any questions about the contents of this supplement. Additional information about Mr. Mulcahy is available on the SEC's website at www.adviserinfo.sec.gov.

Edward William Mulcahy, Jr

Born August 1946

Crd # 4067588

Item 2. Educational Background and Business Experience

Mr. Mulcahy earned a Bachelor of Science in Accounting from St. Joseph's University of Rensselaer, Indiana, in June 1968, and an Masters in Business Administration from Loyola University in December 1971. He became a Certified Public Accountant in November 1972. Until 1997 he was a professor and Department Chairman at Moraine Valley Community College.

He has been a partner and CPA in the accounting firm of Mulcahy, Pauritsch, & Salvador since May 1972. Certified Public Accountants, President, 1972 to present.

He is a member, shareholder and advisory representative in MPS-LORIA Financial Planners, LLC. (from 8. 1999)

He is a member of Loria Financial Group, LLC since August 1999.

Description of qualifications : CPA, for Mulcahy, Pauritsch and Salvador. Follow this section.

Item 3. Disciplinary Information.: NONE In the investment adviser public disclosure site one may find the following disclosures regarding Mr. Mulcahy, Jr.. "This Investment Adviser Representative is currently registered in 1 jurisdiction, suspended in none. Are there events disclosed about this Investment Adviser Representative? **No**"

Item 4. Other Business Activities. Mr. Mulcahy is a partner in the accounting firm of Mulcahy, Pauritsch, & Salvador since 1972. MPS-LORIA may refer its advisory clients to the accountancy if they need accounting services. The adviser does not obligate its clients in any way to use that firm if a client does need accounting services. That firm is not investment related.

Item 5. Additional Compensation. Mr. Mulcahy receives no forms of income for investment advice other than as a member of the firm.

Item 6. Supervision. Mr. Loria, the firm's principal, managing partner and President; is responsible for reviewing the proprietary trading activities of the other members in MPS-LORIA. Mr. Mulcahy will maintain on file in the firm's offices reports of his proprietary trading activities and the formulation of his recommendations for the regulator to review at will.

Item 7. State Registration requirements Mr. Mulcahy maintains his registration as a representative of the advisory firm in ILLINOIS. None of the disciplinary or regulatory events noted under this item applies to Mr. Mulcahy He has not been the subject of a bankruptcy filing in the past 10 years.

Part 2B: The Brochure Supplement: Here we provide information about advisory personnel on whom you rely for investment advice. We must provide this supervised person's supplement to you, our client initially at or before the time when *that* specific supervised person begins to provide you with advisory services.

Item 1. Cover Page.

This brochure supplement provides information about Michael Pauritsch that supplements the MPS-LORIA Financial Planners, LLC brochure. You should have received a copy of that brochure. Please contact Sue Stachowiak if you did not receive MPS-LORIA Financial Planners, LLC's brochure or if you have any questions about the contents of this supplement. Additional information about Mr. Pauritsch is available on the SEC's website at www.adviserinfo.sec.gov.

Michael Pauritsch
Born November 6, 1945

Crd # 1505598

Item 2. Educational Background and Business Experience

Michael Pauritsch is a Principal and Member of the firm. He studied at Xavier University in Cincinnati, where he earned a Bachelor of Science in Economics and went on to receive his Master of Business Administration in Economics at Xavier. He earned his CPA in 1975. [see Qualifications below]

Mr. Pauritsch is a Partner and Vice President of Mulcahy, Pauritsch and Salvador, LTD, accounting firm since 1977. He became a member and advisory representative of MPS-LORIA in August 1999. Since August 1999 he has also been a Principal and Member of Loria Financial Group, LLC, a broker dealer. He is also on the board of Burr Ridge Bank & Trust (not investment related, requiring minimal work time) From 1986 through 1999 he was a registered representative of Dreher Securities. He has been in the financial planning profession since 1980.

Item 3. Disciplinary Information...: NONE In the investment adviser public disclosure site one may find the following disclosures regarding Mr. Pauritsch: "This Investment Adviser Representative is currently registered in 1 jurisdiction. Is this Investment Adviser Representative currently suspended with any jurisdiction? **No** Are there events disclosed about this Investment Adviser Representative? **No**"

Item 4. Other Business Activities. As noted above Mr. Pauritsch is a Partner and Vice President of Mulcahy, Pauritsch and Salvador, LTD, a CPA accounting firm, since 1977 and is also a Principal and Member of LORIA Financial Group LLC, a broker dealer. **Potential conflicts of interest :** If as an investment advisor representative he recommends his services as the registered representative of the related broker dealer, that situation creates a risk for a conflict of interest, due to the commission he will earn for brokerage services. We address this issue by disclosing it; also, his trading activities are reviewed by the adviser and the broker dealer. Mr. Pauritsch is also on the Board of Directors of Burr Ridge Bank and Trust and First Community Financial Partners (a bank holding company).

Item 5. Additional Compensation. Mr. Pauritsch receives income for investment advice both as an investment advisory representative and, as a member of the advisory firm, a Membership Distribution from LORIA Financial Group, LLC. As a registered representative of the related broker dealer he would benefit from some possible 12(b)-1 fees as described in Part 2A, above. He receives a salary paid by Mulcahy, Pauritsch, Salvador & Co., Ltd.

Item 6. Supervision. Mr. Loria, the firm's principal, managing partner and President; is responsible for reviewing the proprietary trading activities of the other members in MPS-LORIA. Mr. Pauritsch will maintain on file in the firm's offices reports of his proprietary trading activities and the formulation of his recommendations for the regulator to review at will.

Item 7. State Registration requirements Mr. Pauritsch maintains his registration as a representative of the advisory firm in ILLINOIS. None of the disciplinary or regulatory events noted under this item applies to Mr. Pauritsch. He has not been the subject of a bankruptcy filing in the past 10 years.

Part 2B: The Brochure Supplement : Here we provide information about advisory personnel on whom you rely for investment advice. We must provide this supervised person's supplement to you, our client initially at or before the time when *that* specific supervised person begins to provide you with advisory services.

Item 1. Cover Page.

This brochure supplement provides information about Philip A. Salvador that supplements the MPS-LORIA Financial Planners, LLC brochure. You should have received a copy of that brochure. Please contact Sue Stachowiak if you did not receive MPS-LORIA Financial Planners, LLC's brochure or if you have any questions about the contents of this supplement. Additional information about Mr. Salvador is available on the SEC's website at www.adviserinfo.sec.gov.

Philip Alan Salvador

Born 1952
Crd # 4060298

Item 2. Educational Background and Business Experience

Mr. Salvador attended Eastern Illinois University, where he earned a Bachelor of Science in Business, major in Accounting in 1974. In 1976 he became a Certified Public Accountant, and in 1983 he added an MBA (Masters of Science in Taxation) from DePaul University in Chicago to his credentials. Since 1979 he has been a partner and CPA in the accounting firm of Mulcahy, Pauritsch, & Salvador, performing business consulting. Since 1999, he has been a member and shareholder in MPS-LORIA Financial Planners, LLC.

Item 3. Disciplinary Information...: NONE

In the investment adviser public disclosure site one may find the following disclosures regarding Mr. Salvador:..
"This Investment Adviser Representative is currently registered in **1** jurisdiction.
Is this Investment Adviser Representative currently suspended with any jurisdiction? **No**
Are there events disclosed about this Investment Adviser Representative? **No**"

Item 4. Other Business Activities.

As noted above, Mr. Salvador has been a partner in the accounting firm of Mulcahy, Pauritsch, & Salvador. MPS-LORIA may refer its advisory clients to that firm for accounting services, but it cannot obligate them to use those services. The adviser earns no fee from any referral to the accountancy.

Item 5. Additional Compensation.

Mr. Salvador's only income related to investment advice is as a member of MPS-LORIA.. He receives income from Mulcahy, Pauritsch, Salvador & Co., Ltd. and a Membership distribution from LORIA Financial Group, LLC.

Item 6. Supervision. Mr. Loria, the firm's principal, managing partner and President; is responsible for reviewing the proprietary trading activities of the other members in MPS-LORIA. Mr. Salvador will maintain on file in the firm's offices reports of his proprietary trading activities and the formulation of his recommendations for the regulator to review at will.

Item 7. State Registration requirements : Mr. Salvador maintains his registration as a representative of the advisory firm in ILLINOIS. None of the disciplinary or regulatory events noted under this item applies to Mr. Salvador. He has not been the subject of a bankruptcy filing in the past 10 years.

Notes on Qualifications:

The **CERTIFIED FINANCIAL PLANNER™**, **CFP®** and federally registered CFP (with flame design) marks (collectively, the “CFP® marks”) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP Board”).

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 62,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board’s studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor’s Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board’s financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination – Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one’s ability to correctly diagnose financial planning issues and apply one’s knowledge of financial planning to real world circumstances;
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board’s *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board’s enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

Certified Public Accountant (CPA) CPAs are licensed and regulated by their state boards of accountancy. While state laws and regulations vary, the education, experience and testing requirements for licensure as a CPA generally include at a minimum a college education (typically 150 credit hours with at least a baccalaureate degree and a concentration in accounting), minimum experience levels (most states require at least one year of experience providing services that involve the use of accounting, attest, compilation, management advisory,

financial advisory, tax or consulting skills, all of which must be achieved under the supervision of or verification by a CPA), and successful passage of the Uniform CPA examination. In order to maintain a CPA license, states generally require the completion of 40 hours of continuing professional education (CPE) each year (or 80 hours over a two year period or 120 hours over a three year period). Additionally, all American Institute of Certified Public Accountants (AICPA) members are required to follow a rigorous Code of Professional Conduct which requires that they act with integrity, objectivity, due care, competence, full disclosure of any conflicts of interest (obtaining client consent if a conflict exists), maintenance of client confidentiality, disclosure to the client of any commission or referral fees, and service to the public interest when providing financial services. The vast majority of state boards of accountancy have adopted the AICPA's Code of Professional Conduct within their state accountancy laws or have created their own.

Advisers may elect to prepare a supplement for each supervised person. Alternatively, they can prepare separate supplements for different groups of supervised persons (e.g., all supervised persons in a particular office or work group). To promote comparability of brochure supplements, we are requiring that a brochure supplement must be organized in the same order, and contain the same headings, as the items appear in the form, whether provided in a brochure or separately.

Deliver a brochure to clients

An advisory firm must give a firm *brochure* to each *client* before or at the time it enters into an advisory agreement with that *client*. See SEC rule 204-3(b) and similar state rules.

Each year the IA firm must (i) deliver, within 120 days of the end of its fiscal year, to each *client* a free updated *brochure* that either includes a summary of material changes or is accompanied by a summary of material changes, or (ii) deliver to each *client* a summary of material changes that includes an offer to provide a copy of the updated *brochure* and information on how a *client* may obtain the *brochure*. See SEC rule 204-3(b) and similar state rules.

The IA firm does not have to deliver an interim amendment to *clients* unless the amendment includes information in response to Item 9 of Part 2A (disciplinary information). An interim amendment can be in the form of a document describing the material facts relating to the amended disciplinary event. See SEC rule 204-3(b) and similar state rules.

Note: As a fiduciary, an advisory firm has an ongoing obligation to inform its *clients* of any material information that could affect the advisory relationship. As a result, between *annual updating amendments* the firm must disclose material changes to such information to *clients* even if those changes do not trigger delivery of an interim amendment. See General Instructions for Part 2 of Form ADV, Instruction 3.

Question: May an advisor deliver its *brochure* electronically? Yes. The SEC has published interpretive guidance on delivering documents electronically, which advisors can find at <www.sec.gov/rules/concept/33-7288.txt>.