

## **Firm Brochure**

(Part 2A of Form ADV)

**Woodfield Financial Advisors, Inc.**

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This brochure provides information about the qualifications and business practices of Woodfield Financial Advisors, Inc. If you have any questions about the contents of this brochure, please contact us at: 847-483-5370, or by email at: [jdobbs@woodfieldfinancialadvisors.com](mailto:jdobbs@woodfieldfinancialadvisors.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 Woodfield Financial Advisors, Inc. is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

March 30, 2011

## Material Changes

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### 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.

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### 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.

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### Full Brochure Available

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: 847-483-5370 or by email at: [jdobbs@woodfieldfinancialadvisors.com](mailto:jdobbs@woodfieldfinancialadvisors.com).

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# Advisory Business

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## Firm Description

Woodfield Financial Advisors Inc. was founded in 2009. Woodfield Financial Advisors, Inc. is the successor to Woodfield Planning Corporation which was founded in 1982.

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

Woodfield Financial Advisors, Inc. is also in the business of selling annuities, insurance, mutual funds, and other commissioned products. Woodfield Financial Advisors, Inc. is paid commissions by a non-client in connection with giving advice to clients. This is always disclosed to the client in advance of the transaction.

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

Investment advice is provided, with the client making the final decision on investment selection. Woodfield Financial Advisors, Inc. does not act as a custodian of client assets. The client always maintains asset control.

A written evaluation of each client's initial situation is provided to the client, often in the form of a net worth statement. Periodic reviews are also communicated to provide reminders of the specific courses of action that need to be taken. More frequent reviews occur but are not necessarily communicated to the client unless immediate changes are recommended.

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) are engaged directly by the client on an as-needed basis.

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 advisory services that may be beneficial to the client.

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## Principal Owners

James B. Dobbs 100% stockholder.

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## Types of Advisory Services

Woodfield Financial Advisors, Inc. provides investment advisory services, also known as asset management services; furnishes investment advice

through consultations; issues special reports about securities; and issues, charts, graphs, formulas, or other devices which clients may use to evaluate securities.

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

As of March 29, 2011, Woodfield Financial Advisors, Inc. manages approximately \$51,000,000 in assets for approximately 228 (Advisory) clients and approximately 350 (commissionable) clients. Approximately \$41,000,000 is managed on a discretionary basis, and approximately \$10,000,000 is managed on a non-discretionary basis.

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### **Tailored Relationships**

The goals and objectives for each client are documented. Investment policy statements are created that reflect the stated goals and objective. Clients may impose restrictions on investing in certain securities or types of securities.

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### **Types of Agreements**

The following agreements define the typical client relationships.

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#### **Financial Planning Agreement**

A financial plan is designed to help the client with all aspects of financial planning and may include ongoing investment management after the financial plan is completed.

The financial plan may include, but is not limited to: a net worth statement; a cash flow statement; a review of investment accounts, including reviewing asset allocation and providing repositioning recommendations; strategic tax planning; a review of retirement accounts and plans including recommendations; a review of insurance policies and recommendations for changes, if necessary; one or more retirement scenarios; estate planning review and recommendations; and education planning with funding recommendations.

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

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### **Advisory Service Agreement**

Most clients choose to have Woodfield Financial Advisors, Inc. manage their assets in order to obtain ongoing in-depth advice and life planning. All aspects of the client's financial affairs are reviewed, including those of their children. Realistic and measurable goals are set and objectives to reach those goals are defined. As goals and objectives change over time, suggestions are made and implemented on an ongoing basis.

The scope of work and fee for an Advisory Service Agreement is provided to the client in writing prior to the start of the relationship. An Advisory Service Agreement includes: cash flow management; insurance review; investment management (including performance reporting); education planning; retirement planning; estate planning; and tax preparation, as well as the implementation of recommendations within each area.

The annual Advisory Service Agreement fee is based on a percentage of the investable assets according to the following schedule:

**.25% of assets under management per calendar quarter**

The client or the investment manager may terminate an Agreement by written notice to the other party. At termination, fees will be charged 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.

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### **Hourly Planning Engagements**

Woodfield Financial Advisors, Inc. provides hourly planning services for clients who need advice on a limited scope of work. The hourly rate for limited scope engagements is \$200.

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### **Asset Management**

Assets are invested primarily in no-load mutual funds through fund companies. Fund companies charge each fund shareholder an investment management fee that is disclosed in the fund prospectus.

Initial public offerings (IPOs) are not available through Woodfield Financial Advisors, Inc.

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### **Termination of Agreement**

A Client may terminate any of the aforementioned agreements at any time by notifying Woodfield Financial Advisors, Inc. in writing and paying the rate for the time spent on the investment advisory engagement prior to notification of termination.



Woodfield Financial Advisors, Inc. may terminate any of the aforementioned agreements at any time by notifying the client in writing.

## **Fees and Compensation**

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### **Description**

Woodfield Financial Advisors, Inc. advisory fees are a percentage of assets under management. Woodfield Financial Advisors, Inc. may also earn commissions from the sale of insurance products and mutual funds.

**ADVISORY FEES ARE NOT CHARGED ON PRODUCTS THAT PAY A COMMISSION.**

Fees are *not negotiable*.

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### **Fee Billing**

Investment management fees are billed quarterly, in *ARREARS*, meaning that we charge your account *AFTER* the three-month billing period has *ENDED*.

Fees are deducted from a designated client account to facilitate billing. The client must consent in advance to direct debiting of their investment account.

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### **Other Fees**

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

Woodfield Financial Advisors, Inc., in its sole discretion, may waive its minimum fee and/or charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.).

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### **Expense Ratios**

Mutual funds generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.5% for their services. These fees are in addition to the fees paid by you to Woodfield Financial Advisors, Inc.

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

## Types of Clients

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### Description

Woodfield Financial Advisors, Inc. generally provides investment advice to individuals, companies, pension and profit sharing plans, trusts, estates, or charitable organizations, corporations or business entities.

Client relationships vary in scope and length of service.

## Methods of Analysis, Investment Strategies and Risk of Loss

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### Methods of Analysis

Security analysis method used is fundamental analysis.

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

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### Investment Strategies

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time. Each client executes an Investment advisory agreement that documents their objectives and their desired investment strategy.

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### 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 investments' originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business's operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

## **Disciplinary Information**

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### **Legal and Disciplinary**

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

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

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### **Code of Ethics**

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

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**Participation or Interest in Client Transactions**

Woodfield Financial Advisors, Inc. and its employees may buy or sell securities that are also held by clients. Employees may not trade their own securities ahead of client trades. Employees comply with the provisions of the Woodfield Financial Advisors, Inc. *Compliance Manual*.

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**Personal Trading**

The Chief Compliance Officer of Woodfield Financial Advisors, Inc. is *James B. Dobbs*. He reviews all employee trades each quarter. His trades are reviewed by *Fredric C. Peaslee*. The personal trading reviews ensure that the personal trading of employees does not affect the markets, and that clients of the firm 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.

## Brokerage Practices

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**Selecting Brokerage Firms**

Woodfield Financial Advisors, Inc. does not have any affiliation with product sales firms. Specific custodian recommendations are made to Clients based on their need for such services. Woodfield Financial Advisors, Inc. recommends custodians based on the proven integrity and financial responsibility of the firm.

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**Order Aggregation**

All trades are mutual funds or exchange-traded funds where trade aggregation does not garner any client benefit.

## Review of Accounts

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**Periodic Reviews**

Account reviews are performed quarterly by advisors *James B. Dobbs, President* and *Fredric C. Peaslee, Vice President*. Account reviews are performed more frequently when market conditions dictate.

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**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.

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**Regular Reports**

Account reviewers are members of the firm's Investment Committee. They are instructed to consider the client's current security positions and the

likelihood that the performance of each security will contribute to the investment objectives of the client.

Clients receive periodic communications on at least an annual basis. *Advisory Service Agreement* clients receive written statements at least quarterly. The written updates may include a net worth statement, portfolio statement, and a summary of objectives and progress towards meeting those objectives.

## **Client Referrals and Other Compensation**

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### **Incoming Referrals**

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

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### **Referrals Out**

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

## **Custody**

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### **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.

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### **Performance Reports**

Clients are urged to compare the account statements received directly from their custodians to the performance report statements provided by Woodfield Financial Advisors, Inc.

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### **Net Worth Statements**

Clients may be provided net worth statements. Net worth statements contain approximations of bank account balances provided by the client, as well as the value of land and hard-to-price real estate. The net worth statements are used for long-term financial planning where the exact values of assets are not material to the financial planning tasks.

## Investment Discretion

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### Discretionary Authority for Trading

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

The client approves the custodian to be used. Woodfield Financial Advisors, Inc. does not receive any portion of the transaction fees or commissions paid by the client to the custodian on certain trades.

Discretionary trading authority facilitates placing trades in your accounts on your behalf so that we may promptly implement the investment policy that you have approved in writing.

## Voting Client Securities

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### Proxy Votes

Woodfield Financial Advisors, Inc. does not vote proxies on securities. Clients are expected to vote their own proxies.

When assistance on voting proxies is requested, Woodfield Financial Advisors, Inc. will provide recommendations to the Client. If a conflict of interest exists, it will be disclosed to the Client.

## Financial Information

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### Financial Condition

A balance sheet is not required to be provided because Woodfield Financial Advisors, Inc. does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$600 per client, and six months or more in advance.

## Business Continuity Plan

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### General

Woodfield Financial Advisors, Inc. 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.

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**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, T-1 communications line outage, Internet outage, railway accident and aircraft accident. Electronic files are backed up daily and archived offsite.

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**Alternate Offices**

Alternate offices are identified to support ongoing operations in the event the main office is unavailable. It is our intention to contact all clients within five days of a disaster that dictates moving our office to an alternate location.

## **Information Security Program**

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**Information Security**

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

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**Privacy Notice**

Woodfield Financial Advisors, Inc. 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)

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### Education and Business Standards

Woodfield Financial Advisors, Inc. requires that advisors in its employ are *Certified Financial Planners* and demonstrate knowledge of financial planning and tax planning. Additionally, advisors must have work experience that demonstrates their aptitude for financial planning and investment management.

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### 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 to use the CFP mark. Current 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](http://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.

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### James B. Dobbs, President

Educational Background:

- Date of birth: 09/06/1955
- Bachelor of Arts (University of Tulsa 1978)
- Certified Financial Planner; College for Financial Planning, Denver, CO 11/23/1987
- LUTC I, II 1979
- Life, Accident & Health, Motor Vehicle Insurance since 1978

Business Experience:

- President and founder of *Woodfield Planning Corporation* since 1982, Woodfield Financial Advisors, Inc. successor to Woodfield Planning Corporation since 03/10/2009.

Disciplinary Information: None

Other Business Activities:

Sale of Life insurance and fixed annuities

Senior Vice President Wintrust Mortgage Corporation

Additional Compensation: Salary (Wintrust Mortgage Corporation),  
commissions from sale of insurance based products

Supervision:

James B. Dobbs is supervised by Self

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Bankruptcy Petition: None

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**Fredric C. Peaslee, Vice President**

**Educational Background:**

- Date of birth: 05/19/1950
- Certified Financial Planner, College for Financial Planning, Denver, CO 11/22/1993
- FINRA Series 6 03/14/1987
- FINRA Series 63, 09/26/1991
- Life Insurance License since 03/14/1987
- Accident & Health License since 09/22/1984
- Variable Contracts since 04/16/1987

Business Experience:

- Vice President, Woodfield Planning Corporation and its successor Woodfield Financial Advisors, Inc. from January 1988 to present.
- Independent contractor/registered representative with Independent Financial Group since November 2009.

Disciplinary Information: None

Other Business Activities: Sales of Life, disability & health insurance and fixed annuities

Additional Compensation: Commissions for sale of insurance based products

Supervision:

Fredric C. Peaslee is supervised by James B. Dobbs, President. He reviews Fredric C. Peaslee's work through frequent office interactions as well as remote interactions. He also reviews Fredric C. Peaslee's activities through our client relationship management system.

SUPERVISOR\$ contact information:

James B. Dobbs

Phone: 847-483-5370

EMAIL: [jdobbs@woodfieldfinancialadvisors.com](mailto:jdobbs@woodfieldfinancialadvisors.com)

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Bankruptcy Petition: None