

**Item 1. Cover Page for Part 2A of
Form ADV: Firm Brochure**

DATED DECEMBER 2011

**FINANCIAL SECURITY SOLUTIONS CORP.
18401 BURBANK BLVD, STE. 209
TARZANA, CA 91356**

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This brochure provides information about the qualifications and business practices of Financial Security Solutions Corp. If you have any questions about the contents of this brochure, please contact by telephone at (818) 344-7177 or email at karen@fin-security.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 Financial Security Solutions Corp. also is available on the SEC's website at www.adviserinfo.sec.gov .

Please note that the use of the term “registered investment adviser” and description of Financial Security Solutions Corp. and/or our associates as “registered” does not imply a certain level of skill or training. You are encouraged to review this Brochure and Brochure Supplements for our firm’s associates who advise you for more information on the qualifications of our firm and its employees.

Item 2. Material Changes

Financial Security Solutions Corp. is required to advise you of any material changes to our Firm Brochure (“Brochure”) from our last annual update, identify those changes on the cover page of our Brochure or on the page immediately following the cover page, or in a separate communication accompanying our Brochure. We must state clearly that we are discussing only material changes since the last annual update of our Brochure, and we must provide the date of the last annual update of our Brochure.

Please note that we do not have to provide this information to a client or prospective client who has not received a previous version of our brochure. At this time, there are no material changes to report about our Brochure.

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Item 4. Advisory Business

We specialize in the following types of services: Financial Planning and Consulting, Referrals for Money Management, My ePortfolio Aggregation Service, and Collaborative Monitoring Services.

A. Description of our advisory firm, including how long we have been in business and our principal owner(s).

We are dedicated to providing Individuals, Trusts, Estates or Charitable Organizations, Pension and Profit Sharing Plans, Corporations, limited liability companies and/or other business types with a wide array of investment advisory services. Our firm is a corporation formed in the State of California. Our firm has been in business as an investment adviser since 2002 and is wholly owned by Karen Malkoff-Hatton.

B. Description of the types of advisory services we offer.

(i) Financial Planning and Consulting:

We typically provide a variety of financial planning services, primarily advisory in nature, to individuals or families regarding the management of their financial resources, based upon an analysis of Client needs. Generally, such financial planning and consulting services will involve preparing a financial program for a Client based on the Client's financial circumstances and objectives. This information normally would cover present and anticipated assets and liabilities, including insurance, savings, investments, employee stock option plans, possible future inheritances and anticipated retirement or other employee benefits. Asset allocation services for external pension, profit sharing, 401k and 403b plan assets may be offered to clients based on clients needs as well. Financial planning and consulting services will usually include general recommendations for a course of activity or specific actions to be taken by the Client. For example, recommendations may be made that the Client obtain insurance or revise existing coverage, establish an individual retirement account, increase or decrease funds held in savings accounts or invest funds in securities. We may develop tax or estate plans for Clients or refer Clients to an accountant or attorney. We may also create a cash flow analysis or work with and advise the Client as to the rearrangement of cash flow in order to fund certain long-term objectives such as buying a house, planning for college, retirement, etc.

We assist the Client in determining their investment goals and objectives, risk tolerance and retirement plan time horizons. We will then recommend an initial asset allocation. However, because such assets may be custodied outside of the control of Royal Alliance or our firm, the Client will be responsible for accepting and implementing the Advisor's recommendations. The Client will be able to engage our firm to conduct updating reviews of their accounts on a periodic or annual basis for an hourly or fixed-fee.

Additionally we provide financial planning or educational seminars or workshops that help participants determine their investment goals and objectives, risk tolerance, insurance, retirement plan time horizons, employee stock option strategies and/or estate planning strategies. These seminars and workshops provide general education to current clients and/or the public on financial planning related topics. Clients and/or seminar or workshop participants will be responsible for accepting and implementing the Advisor's recommendations. We will neither provide continuous or portfolio monitoring services for such accounts nor will we receive asset-based compensation. However, the Client will be able to engage us to implement our recommendations and findings.

(ii) Referrals for Money Management:

We provide clients with recommended third party professional portfolio management firms for the individual management of client accounts. As part of this process, we assist clients in identifying an appropriate third party money manager. We provide initial due diligence on third party money managers and ongoing reviews of their management of your account.

In order to assist clients in the selection of a third party money manager, we typically gather information from the client about their financial situation, investment objectives, and reasonable restrictions they can impose on the management of the account, which are often very limited. It is important to note that we do not offer advice on any specific securities or other investments in connection with this service. Investment advice and trading of securities is only offered by or through the third party money managers to clients.

We periodically review third party money managers' reports provided to the client, but no less often than on an annual basis. Our associates contact the clients from time to time, as agreed to with the client, in order to review their financial situation and objectives; communicate information to third party money managers as warranted; and, assist the client in understanding and evaluating the services provided by the third party money manager. The client will be expected to notify us of any changes in his/her financial situation, investment objectives, or account restrictions that could affect their account. The client may also directly contact the third party money manager managing the account or sponsoring the program.

(iii) My ePortfolio Aggregation Service:

My ePortfolio Aggregation Service offers clients increased visibility of their accounts and overall financial situation. Clients will be able to view their aggregate account data including assets held away from Financial Security Solutions, such as 401(k) plans and accounts at other brokerage firms, optional secure document storage in our online vault, and view presentations to provide analyses of their investments and financial planning services. Basic account access which includes only the ability to view accounts held with Financial Security Solutions is available to all advisory clients for \$300 annually. Clients who have engaged in our financial planning maintenance service will receive integrated financial planning, access to their own secure document storage vault, general wealth

management advice and ability to view aggregation of assets held outside of Royal Alliance and/or Financial Security Solutions for \$750 annually charged in 3 installments.

(iv) Collaborative Monitoring Services:

We provide continuous portfolio monitoring and investment advice to some clients for accounts custodied outside of the control of Royal Alliance or our Firm. In these cases, we will provide investment allocation and account monitoring review to insure that the underlying accounts and the assets within them continue to fall within the stated objectives of the client as measured by a their investment policy statement. We will aggregate account data, provide secure document storage, provide continuous investment review of all accounts, and make recommendations to the client. The client will be responsible for accepting and implementing our recommendations. We will, under no circumstances, bill for services to such accounts as asset-based compensation. However, the Client will be able to engage our firm to conduct such services on an annual basis for a fixed-fee set forth in the Collaborative Monitoring Services agreement.

C. Explanation of whether (and, if so, how) we tailor our advisory services to the individual needs of clients, whether clients may impose restrictions on investing in certain securities or types of securities.

(i) Individual Tailoring of Advice to Clients:

We offer investment advice to clients utilizing our Financial Planning and Consulting Service which may be tailored to include specific stocks and ETFs, bonds, and/or mutual fund selections, to meet their investment objectives. Generally, for Referrals for Money Management service, we do not tailor our advice but leave those decisions to the money manager.

(ii) Ability of Clients to Impose Restrictions on Investing in Certain Securities or Types of Securities:

We usually do not allow clients to impose restrictions on investing in certain securities or types of securities due to the level of difficulty this would entail in managing their account. In the rare instance that we would allow restrictions, it would be limited to certain third party managers with such capabilities.

D. Participation in wrap fee programs.

We do not offer wrap fee programs.

E. Disclosure of the amount of client assets we manage on a discretionary basis and the amount of client assets we manage on a non-discretionary basis as of 09/30/2011.

We manage¹ \$0 on a discretionary basis and \$27, 020,144 on a non discretionary basis as of 9/30/2011.

Item 5. Fees and Compensation

We are required to describe our brokerage, custody, fees and fund expenses so you will know how much you are charged and by whom for our advisory services provided to you. Our fees are generally not negotiable. Fees charged are based upon account size and may be negotiated in certain circumstances. The fee schedules below reflect the maximum we would charge for our services.

A. Description of how we are compensated for our advisory services provided to you.

(i) Financial Planning and Consulting:

We charge on an hourly or flat fee basis for financial planning and consulting services. The total estimated fee, as well as the ultimate fee that we charge you, is based on the scope and complexity of our engagement with you. Our hourly fees are \$250 for financial advisors. Flat fees generally range from \$1000 to \$10,000. Financial planning maintenance and review fee is a flat \$750 annually billed in 3 increments.

(ii) Referrals for Money Management:

We are paid by independent money managers when we refer you to them and you decide to open a managed account. Independent money managers pay us a portion of the investment advisory fee that they charge you for managing your account. Fees paid to us by independent money manager are generally ongoing. All fees we receive from independent money managers and the written separate disclosures made to you regarding these fees comply with state regulation and rules. The separate written disclosures you need to be provided with include a copy of the independent money manager's Form ADV Part 2, all relevant Brochures, a Solicitation Disclosure Statement detailing the exact fees we are paid and a copy of the independent money manager's privacy policy. The independent money managers we recommend will not directly charge you a higher fee than they would have charged without us introducing you to them.

¹ Please note that our method for computing the amount of "client assets we manage" can be different from the method for computing "assets under management" required for Item 5.F in Part 1A of Form ADV. However, we have chosen to follow the method outlined for Item 5.F in Part 1A of Form ADV. If we decide to use a different method at a later date to compute "client assets we manage," we must keep documentation describing the method we use and inform you of the change. The amount of assets we manage may be disclosed by rounding to the nearest \$100,000. Our "as of" date must not be more than three months before the date we last updated our Brochure in response to Item 4.E of Form ADV Part 2A.

(iii) My ePortfolio Aggregation Service

Basic account access is available to all advisory clients for \$300 annually. Clients who have also engaged in our annual financial planning services will receive integrated financial planning and overall wealth management advice, use of the personal storage vault, account aggregation of accounts held outside Royal Alliance and/or Financial Security Solutions and service in addition to basic account access for \$750 annually charged in 3 installments.

(iv) Collaborative Monitoring Services

We provide continuous portfolio monitoring and investment advice to some clients for accounts custodied outside of the control of Royal Alliance or our Firm. In these cases, we will provide investment allocation and account monitoring review to insure that the underlying accounts and the assets within them continue to fall within the stated objectives of the client as measured by a their investment policy statement. Advisor will, under no circumstances bill for services to such accounts as asset-based compensation. However, the Client will be able to engage our firm to conduct such services on an annual basis for a fixed-fee.

B. Description of whether we deduct fees from clients' assets or bill clients for fees incurred.

(i) Financial Planning and Consulting:

For fees over \$500 we require a retainer of fifty-percent (50%) of the ultimate financial planning or consulting fee with the remainder of the fee directly billed to you and due to us within thirty (30) days of your financial plan being delivered or consultation rendered to you. Typically the financial plan will be presented to the client within 90 days of the contract date, provided that all information needed has been promptly provided by the client. In all cases, we will not require a retainer exceeding \$500 when services cannot be rendered within 6 (six) months.

Financial planning maintenance service is billed directly to clients annually in 3 installments.

(ii) Referrals for Money Management:

Independent money managers establish and maintain their own separate billing processes which we have no control over. In general, they will directly bill you and describe how this works in their separate written disclosure documents.

(iii) My ePortfolio Aggregation Service

Clients are billed directly on an annual basis in 3 installments.

(iv) Collaborative Monitoring Services

Clients are billed directly on a quarterly basis.

C. Description of any other types of fees or expenses clients may pay in connection with our advisory services, such as custodian fees or mutual fund expenses.

Clients will incur transaction charges for trades executed in their accounts. These transaction fees are separate from our fees and will be disclosed by the firm that the trades are executed through. Also, clients will pay the following separately incurred expenses, which we do not receive any part of: charges imposed directly by a mutual fund, index fund, or exchange traded fund which shall be disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses).

D. Client's advisory fees that are due quarterly in advance or arrears:

In the event that you wish to terminate our services with advisory fee charged in advance, we will refund the unearned portion of our advisory fee to you. You need to contact us in writing and state that you wish to terminate our services. Upon receipt of your letter of termination, we will proceed to close out your account and process a pro-rata refund of unearned advisory fees. For services with fees collected in arrears all unpaid fees for services rendered will be due immediately. We will furnish the client with a closing statement and an invoice for such fees.

E. Commissionable securities sales.

We sell securities for a commission. In order to sell securities for a commission, our supervised persons are registered representatives of Royal Alliance Associates Inc., member FINRA/SIPC. Our supervised persons may accept compensation for the sale of securities or other investment products, including distribution or service ("trail") fees from the sale of mutual funds and variable annuities. You should be aware that if you choose to have us receive commission based fees as opposed to fee-only based fees the practice of accepting commissions for the sale of securities:

- 1) Presents a conflict of interest and gives our firm and/or our supervised persons an incentive to recommend investment products based on the compensation received, rather than on your needs. We generally address commissionable sales conflicts that arise:
 - a) when explaining to clients that commissionable securities sales creates an incentive to recommend products based on the compensation we and/or our supervised persons may earn and may not necessarily be in the best interests of the client;
 - b) when recommending commissionable mutual funds and variable annuities, explaining that "no-load" products are available through our firm if the client wishes to become an investment advisory client.
- 2) In no way prohibits you from purchasing investment products recommended by us through other brokers or agents which are not affiliated with us.

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

We do not charge performance fees to our clients.

Item 7. Types of Clients and Account Requirements

We have the following types of clients:

- Individuals;
- Trusts, Estates or Charitable Organizations;
- Pension and Profit Sharing Plans;
- Corporations, limited liability companies and/or other business types.

Our requirements for opening and maintaining accounts or otherwise engaging us:

The minimum investment required in our managed portfolios is generally \$100,000 for Mutual Fund accounts and \$250,000 for Privately Managed Accounts. Accounts below these minimums may be accepted on an individual basis at the discretion of the Advisor.

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

A. Description of the methods of analysis and investment strategies we use in formulating investment advice or managing assets.

Methods of Analysis:

- Model portfolios of mutual funds provided by a number of institutional investment strategists and based on the information, research, asset allocation methodology and investment strategists. Advisor may utilize Consolidated Managed Accounts and Separate Account Managers made available by Genworth Financial Asset Management, SEI and Lockwood.

Investment Strategies we use:

- Long term purchases (securities held at least a year);
- Trading (securities sold within 30 days);

Please note:

Investing in securities involves risk of loss that clients should be prepared to bear. While the stock market may increase and your account(s) could enjoy a gain, it is also possible that the stock market may decrease and your account(s) could suffer a loss. It is important that you

understand the risks associated with investing in the stock market, are appropriately diversified in your investments, and ask us any questions you may have.

D. Our practices regarding cash balances in client accounts, including whether we invest cash balances for temporary purposes and, if so, how.

We generally invest client's cash balances in money market funds, FDIC Insured Certificates of Deposit, high-grade commercial paper and/or government backed debt instruments. Ultimately, we try to achieve the highest return on our client's cash balances through relatively low-risk conservative investments. In most cases, at least a partial cash balance will be maintained in a money market account so that our firm may debit advisory fees for our services related to comprehensive portfolio management, asset management service and portfolio monitoring, as applicable.

Item 9. Disciplinary Information

We are required to disclose whether there are legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management. There are a number of specific legal and disciplinary advisory firm or a management person has been involved in one of these events, we must disclose it under this Item for ten years following the date of the event, unless (1) the event was resolved in our or the management person's favor, or was reversed, suspended or vacated, or (2) the event is not material (see Note below). For purposes of calculating this ten-year period, the "date" of an event is the date that the final order, judgment, or decree was entered, or the date that any rights of appeal from preliminary orders, judgments or decrees lapsed.

The SEC and/or State Regulators have not provided us with an exclusive list of material disciplinary events, which need to be disclosed. If our advisory firm or a management person has been involved in a legal or disciplinary event that is not specifically required to be disclosed, but nonetheless is material to a client's or prospective client's evaluation of our advisory business or the integrity of our management, we must disclose the event. Similarly, even if more than ten years has passed since the date of the event, we must disclose the event if it is so serious that it remains currently material to a client's or prospective client's evaluation of our firm or management.

We have determined that our firm and management have nothing to disclose under the aforementioned standard.

Item 10. Other Financial Industry Activities and Affiliations

- A. Our firm or our management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer. The details are as follows:

Ms. Malkoff-Hatton is a registered representative of Royal Alliance Associates, Inc. (“Royal Alliance”), an SEC registered broker-dealer and FINRA member. In her separate capacity as a registered representative, Ms. Malkoff-Hatton may earn commissions from securities sales. These sales would be executed through Royal Alliance.

Also as a licensed insurance agent, Ms. Malkoff-Hatton may recommend to her advisory clients a variety of insurance products, and she may offer commissionable insurance products to Advisor’s clients for which she may receive compensation.

- B. Description of any relationship or arrangement that is material to our advisory business or to our clients, that we or any of our management persons have with any related person² listed below. We are required to identify the related person and if the relationship or arrangement creates a material conflict of interest with clients, describe the nature of the conflict and how we address it.

We have determined we have nothing to disclose in this regard.

- C. If we recommend or select other investment advisers for our clients and we receive compensation directly or indirectly from those advisers, or we have other business relationships with those advisers, we are required to describe these practices and discuss the conflicts of interest these practices create and how we address them.

Please see Item 4B (ii) of this Brochure.

Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

- A. Brief description of our Code of Ethics adopted pursuant to SEC rule 204A-1 and offer to provide a copy of our Code of Ethics to any client or prospective client upon request.

We recognize that the personal investment transactions of members and employees of our firm demand the application of a high Code of Ethics and require that all such transactions be carried out in a way that does not endanger the interest of any client. At the same time, we believe that

² Our Related Persons are any advisory affiliates and any person that is under common control with our firm. Advisory Affiliate: Our advisory affiliates are (1) all of our officers, partners, or directors (or any person performing similar functions); (2) all persons directly or indirectly controlling or controlled by us; and (3) all of our current employees (other than employees performing only clerical, administrative, support or similar functions). Person: A natural person (an individual) or a company. A company includes any partnership, corporation, trust, limited liability company (“LLC”), limited liability partnership (“LLP”), sole proprietorship, or other organization.

if investment goals are similar for clients and for members and employees of our firm, it is logical and even desirable that there be common ownership of some securities.

Therefore, in order to prevent conflicts of interest, we have in place a set of procedures (including a pre-clearing procedure) with respect to transactions effected by our members, officers and employees for their personal accounts³. In order to monitor compliance with our personal trading policy, we have a quarterly securities transaction reporting system for all of our associates.

Furthermore, our firm has established a Code of Ethics which applies to all of our associated persons. An investment adviser is considered a fiduciary. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. We have a fiduciary duty to all clients. Our fiduciary duty is considered the core underlying principle for our Code of Ethics which also includes Insider Trading and Personal Securities Transactions Policies and Procedures. We require all of our supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment or affiliation and at least annually thereafter, all supervised persons will sign an acknowledgement that they have read, understand, and agree to comply with our Code of Ethics. Our firm and supervised persons must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of our Code of Ethics. However, if a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided promptly upon request.

- B. If our firm or a related person recommends to clients, or buys or sells for client accounts, securities in which our firm or a related person has a material financial interest (excluding an interest as a shareholder of an SEC-registered, open-end investment company), we must describe our practice and discuss the conflicts of interest it presents.

We have nothing to disclose in this regard.

- C. If our firm or a related person invests in the same securities (or related securities, e.g., warrants, options or futures) that our firm or a related person recommends to clients, we are required to describe our practice and discuss the conflicts of interest this presents and generally how we address the conflicts that arise in connection with personal trading.

See Item 11A of this Brochure. Related persons of our firm may buy or sell securities and other investments that are also recommended to clients. In order to minimize this conflict of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics, a copy of which is available upon request.

³ For purposes of the policy, our associate's personal account generally includes any account (a) in the name of our associate, his/her spouse, his/her minor children or other dependents residing in the same household, (b) for which our associate is a trustee or executor, or (c) which our associate controls, including our client accounts which our associate controls and/or a member of his/her household has a direct or indirect beneficial interest in.

- D. If our firm or a related person recommends securities to clients, or buys or sells securities for client accounts, at or about the same time that you or a related person buys or sells the same securities for our firm's (or the related person's own) account, we are required to describe our practice and discuss the conflicts of interest it presents. We are also required to describe generally how we address conflicts that arise.

See Item 11A of this brochure. Related persons of our firm may buy or sell securities for themselves at or about the same time they buy or sell the same securities for client accounts. Our related persons do not select nor have fore knowledge of the selection of securities bought and sold in client accounts. This scenario eliminates our related persons from personally benefiting from client trades. We will always place client interests ahead of our own interests and adhere to our firm's Code of Ethics, a copy of which is available upon request.

Item 12. Brokerage Practices

- A. Description of the factors that we consider in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

Our firm does not have arrangements with custodians and does not recommend the use of any particular custodian. We can, however, help provide you with information about the qualified custodians utilized by Third Party Money Managers

- B. Discussion of whether, and under what conditions, we aggregate the purchase or sale of securities for various client accounts in quantities sufficient to obtain reduced transaction costs (known as bunching). If we do not bunch orders when we have the opportunity to do so, we are required to explain our practice and describe the costs to clients of not bunching.

Independent money managers on occasion may execute transactions as part of concurrent authorizations to purchase or sell the same security for numerous accounts served by our firm, which involve accounts with similar investment objectives. Although such concurrent authorizations potentially could be either advantageous or disadvantageous to any one or more particular accounts, they are affected only when we believe that to do so will be in the best interest of the effected accounts. When such concurrent authorizations occur, the objective is to allocate the executions in a manner which is deemed equitable to the accounts involved. In any given situation, we attempt to allocate trade executions in the most equitable manner possible, taking into consideration client objectives, current asset allocation and availability of funds using price averaging, proration and consistently non-arbitrary methods of allocation. Please review the disclosure brochure of recommended independent money managers for specific information on aggregate trades.

Item 13. Review of Accounts or Financial Plans

- A. Review of client accounts or financial plans, along with a description of the frequency and nature of our review, and the titles of our employees who conduct the review.

Financial planning clients do not receive reviews of their written plans unless they take action to schedule a financial consultation and/or engage us to do so. We only provide ongoing services to those who opt in for financial planning maintenance service. These ongoing services include My ePortfolio Aggregation Service, access to a personal secure document vault and aggregation of assets held outside of Royal Alliance and/or Financial Security Solutions.

My ePortfolio Aggregation Service clients who do not opt for the ongoing financial planning maintenance will be able to view their aggregate account data but reviews of their plan will not be available.

Clients managed by Independent Money Managers receive reviews at least annually. The nature of these reviews is to learn whether clients' accounts are in line with their investment objectives, appropriately positioned based on market conditions, and investment policies, if applicable. Only our Financial Advisors or Portfolio Managers will conduct reviews.

Portfolio Monitoring clients receive reviews at least quarterly. The nature of these reviews is to provide investment allocation and account monitoring review to ensure that the underlying accounts and the assets within them continue to fall within the stated objectives of the client as measured by a their investment policy statement.

- B. Review of client accounts on other than a periodic basis, along with a description of the factors that trigger a review.

We may review client accounts more frequently than described above. Among the factors which may trigger an off-cycle review are major market or economic events, the client's life events, requests by the client, etc.

- C. Description of the content and indication of the frequency of written or verbal regular reports we provide to clients regarding their accounts.

Written plans are provided to financial planning clients. Clients enrolled in the financial planning maintenance service will receive annual reviews of their plan. Verbal reports to clients take place on at least an annual basis when we contact clients in person or by phone who are referred to Independent Money Managers.

Certain Independent Money Managers may provide reports regarding client accounts. We deliver these to our clients and may generate a list-of-assets report that includes their account values from outside money managers.

Item 14. Client Referrals and Other Compensation

- A. If someone who is not a client provides an economic benefit to our firm for providing investment advice or other advisory services to our clients, we must generally describe the arrangement. For purposes of this Item, economic benefits include any sales awards or other prizes.

The investment advisory representatives of our firm are also registered representative(s) of Royal Alliance. In order to meet its FINRA supervisory obligations, Royal Alliance requires that all investment advisory activities be conducted through Royal Alliance's clearing relationships with Pershing or another approved party. As a result, we do not have the discretion to choose the broker/dealer or commission rates to be paid. However, we reasonably believe that Pershing or another approved party's blend of execution services, commission and transaction costs as well as professionalism will allow the Advisor to seek best execution and competitive prices. However, Clients should be aware that best execution and lower commissions may not necessarily be achieved if recommended transactions are placed through the Advisor's Advisory Representatives, in their separate capacities as Registered Representatives of Royal Alliance or as independent insurance agents.

- B. If our firm or a related person directly or indirectly compensates any person who is not our employee for client referrals, we are required to describe the arrangement and the compensation.

We may pay referral fees (non-commission based) to independent solicitors (registered representatives) for the referral of their clients to our firm. Such referral fee represents a share of our investment advisory fee charged to our clients. This arrangement will not result in higher costs to you. In this regard, we maintain Solicitors Agreements in compliance with applicable state and federal laws. All clients referred by Solicitors to our firm will be given full written disclosure describing the terms and fee arrangements between our firm and Solicitor(s). In cases where state law requires licensure of solicitors, we ensure that no solicitation fees are paid unless the solicitor is registered as an investment adviser representative of our firm. If we are paying solicitation fees to another registered investment adviser, the licensure of individuals is the other firm's responsibility.

Item 15. Custody

- A. If we have custody of client funds or securities and a qualified custodian as defined in SEC rule 206(4)-2 or similar state rules (for example, a broker-dealer or bank) does not send account statements with respect to those funds or securities directly to our clients, we must disclose that we have custody and explain the risks that you will face because of this.

We do not accept custody of client funds or securities. All of our clients receive at least quarterly account statements directly from their custodians. We do not deduct advisory fees from client accounts.

- B. If we have custody of client funds or securities and a qualified custodian sends quarterly, or more frequent, account statements directly to our clients, we are required to explain that you will receive account statements from the broker-dealer, bank, or other qualified custodian and that you should carefully review those statements.

We encourage our clients to raise any questions with us about the custody, safety or security of their assets. The custodians we do business with will send you independent account statements listing your account balance(s), transaction history and any fee debits or other fees taken out of your account.

Item 16. Investment Discretion

If we accept discretionary authority to manage securities accounts on behalf of clients, we are required to disclose this fact and describe any limitations our clients may place on our authority. The following procedures are followed before we assume this authority:

Our clients need to sign a discretionary investment advisory agreement with our firm for the management of their account. This type of agreement only applies to our clients for whom we recommend Independent Money Management programs. We do not take or exercise discretion with respect to our other clients.

Item 17. Voting Client Securities

- A. If we have, or will accept, proxy authority to vote client securities, we must briefly describe our voting policies and procedures, including those adopted pursuant to SEC Rule 206(4)-6.

We do not and will not accept the proxy authority to vote client securities. Clients will receive proxies or other solicitations directly from their custodian or a transfer agent. In the event that proxies are sent to our firm, we will forward them on to you and ask the party who sent them to mail them directly to you in the future. Clients may call, write or email us to discuss questions they may have about particular proxy votes or other solicitations.

However, third party money managers selected or recommended by our firm may vote proxies for clients. Therefore, except in the event a third party money manager votes proxies, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Therefore (except for proxies that may be voted by a third party money manager), our firm and/or you shall instruct your qualified custodian to forward to you copies of all proxies and shareholder communications relating to your investment assets.

Item 18. Financial Information

- A. If we require or solicit prepayment of more than \$500 in fees per client, six months or more in advance, we must include a balance sheet for our most recent fiscal year.

We do not require nor do we solicit prepayment of more than \$500 in fees per client, six months or more in advance. Therefore we have not included a balance sheet for our most recent fiscal year.

- B. If we have been the subject of a bankruptcy petition at any time during the past ten years, we must disclose this fact, the date the petition was first brought, and the current status.

We have nothing to disclose in this regard.