

DISCLOSURE BROCHURE

COVER PAGE
THE INVESTMENT ADVISORS ACT OF 1940 RULE 204-3
FORM ADV PART 2A

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SEC File #: 801-64457



AN INVESTMENT ADVISORY FIRM

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ITEM 1

This Disclosure Brochure provides information about the qualifications and business practices of QFA, LLC, which should be considered before becoming a client. You are welcome to contact us should you have any questions about the contents of this brochure - our contact information is listed to the right. Additional information about QFA, LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

The information contained in this Disclosure Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any State Securities Administrator.

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BROCHURE
DATED
1
MARCH
2011



MATERIAL CHANGES

SEC Rule 204-3(b)(2) allows us to provide you with a summary page of Material Changes in lieu of sending out our entire Disclosure Brochure. If you are being offered this Material Change page as a separate piece from our Disclosure Brochure and you have questions about these summary disclosures or would like a current copy of our Disclosure Brochure to review, you may contact us and a current, complete Disclosure Brochure will be sent free of charge.

Revised Fee Schedule - Wrap Program

We have negotiated an asset-based fee rate with TD Ameritrade to replace the transaction-based fees you are currently charged. We feel these new fee arrangements will greatly reduce your overall trade execution costs. These arrangements led us to modify our fee structure for both QASH Flow Advantage™ Programs to accommodate this new asset-based fee structure and develop a Wrap Program Brochure to disclose these arrangements. The new Wrap Program fee arrangements will be effective with the May 1, 2011 billing cycle. The new fee schedule is as follows:

| Account Value | Brokerage Asset-Based Fee† | QFA Annual Fee | Total Annual Fee Rate |
|----------------------------------|----------------------------------|-------------------|-----------------------------|
| Up to \$499,999 | 0.40% | 1.90% | 2.30% |
| \$500,000 to \$999,999 | 0.36% | 1.79% | 2.15% |
| \$1,000,000 to \$1,999,999 | 0.32% | 1.53% | 1.85% |
| \$2,000,000 to \$9,999,999 | 0.32% | 1.43% | 1.75% |
| Over \$10,000,000 | 0.32% | 1.43% | 1.75% |

Full disclosure of our Wrap Program arrangements, can be found in our Form ADV Part 2A Appendix 1: Wrap Fee Program Brochure.

Soft-Dollar Arrangements Replaced

We have discontinued TD Ameritrade Soft-Dollar program to take advantage of TD Ameritrade's Addition Services program. For more information on the Addition Services program offered by TD Ameritrade, see "Custodial Services" under Item 12, "Brokerage Practices".

New Business Venture

Jeffrey R. Neher started Real Time Options, LLC, an internet-based subscription service for those interested in trading their own securities using our proprietary real-time option trading strategies. For more information on this service and potential conflicts to you, see Item 10, "Other Financial Industry Activities & Affiliations".

QFA, LLC

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This brief is being provided to you as a summary of what has been fully disclosed in our Disclosure Brochure dated March 1, 2011. The information contained on this Material Change page has not been approved or verified by the United States Securities and Exchange Commission or by any State Securities Administrator.



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ADVISORY BUSINESS

Who We Are

QFA, LLC (hereinafter referred to as “the Company”, “we”, “us” and “our”), a registered investment advisor¹, was organized in October of 2002 as a Florida Limited Liability Company. We are a unique investment firm of experienced option trading professionals that focuses on generating cash flow and enhancing the income potential to you, our client², through our proprietary option trading strategies.

Owners

The Company is controlled by the following persons:

| Name | Title | CRD# |
|------------------|---|---------|
| Jeffrey R. Neher | Managing Member | 5515036 |
| James R. Neher | Co-Managing Member & Chief Compliance Officer | 4615004 |

Assets Under Management

As of January 1, 2011, our assets under management totaled:

| | |
|--|---------------|
| Client Discretionary Managed Accounts..... | \$100,690,000 |
| Client Non-Discretionary Managed Accounts..... | Not Offered |

Our Mission

Our mission is to maximize the financial performance of your investment portfolio with equity market participation while reducing risk through covered call revenue and defensive hedging.

What We Do

We are an experienced option trading advisory firm that has developed a proprietary Exchange Traded Fund (“ETF”) hedged covered call program - QASH Flow Advantage™. The QASH Flow Advantage™ program is designed to enhance the potential earnings of ETF positions using covered call options to generate additional income while creating some downside protection. Through the QASH Flow Advantage™, we:

- ❖ Select ETFs for proper diversification and growth.
- ❖ Maintain a “short” position to provide market downside protection.
- ❖ Generate monthly covered call premiums (“rent”) to provide consistent cash flow with the goal of producing substantial annual cash returns.



¹ The term “registered investment advisor” is not intended to imply that QFA, LLC has attained a certain level of skill or training. It is used strictly to reference the fact that we are “Registered” as an “Investment Advisor” with the United States Securities & Exchange Commission - and “Notice Filed” with such other State Regulatory Agencies that may have limited regulatory jurisdiction over our business practices.

² A client could be an individual and their family members, a family office, a foundation or endowment, a corporation and/or small business, a trust, a guardianship, an estate, another fiduciary or any other type of entity to which we choose to give investment advice.



FEES & COMPENSATION

We have elected to take advantage of the asset-based brokerage services offered by TD Ameritrade in-lieu-of their transaction-based arrangement where you pay a transaction fee for each trade made in your account. Under this arrangement we will combine TD Ameritrade's asset-based brokerage fee and our management fee into a single annual fee known as a Wrap Fee. We feel that this asset-based fee arrangement greatly reduces your overall trade execution costs. For more information on our Wrap Fee Program and the fee schedule, please see our separate Form ADV Part 2A Appendix 1: Wrap Fee Program Brochure.

Each QASH Flow Advantage™ Program will utilize the Wrap Fee Program, **unless** you elect our optional performance-based management fee structure - this service will remain transaction-based and fees will **not** be wrapped. For more information on our performance fees, see "Performance Trading" below under Item 6, "Performance-Based Fees & Side-By-Side Management".

QASH Flow Advantage™ Programs

The QASH Flow Advantage™ is comprised of two Programs: the Core Program and the Asset Secured Option (ASO) Program. Each of the two QASH Flow Advantage™ Programs have separate objectives that we can recommend for your account individually or as a combination of the two Programs depending on your investment parameters, goals and objectives, risk tolerances and investment time frames. For more information on our QASH Flow Advantage™ strategy, please see Item 8, "Methods of Analysis, Investment Strategies & Risk of Loss" below.

Core Program

OBJECTIVE - The Core Program is a neutral to moderately bullish strategy. The Core Program is designed to generate income in exchange for assuming the obligation to sell, or risk of selling, your equity position at a specified price - generally at a price slightly higher to moderately higher than where the stock is currently trading.

MANAGEMENT FEE - The Core Program seeks to generate income from the premiums received from option contract sales, dividend income, and equity appreciation.

Asset Secured Option (ASO) Program

OBJECTIVE - The ASO Program is a more tactical neutral to bullish strategy where we have an opportunity to increase your return by a few percentage points when compared to the Core Program. In addition to using the Core Program strategies, the ASO Program typically adds the selling of a cash/asset secured Naked Put, in which the secured assets are utilized in the event the Put is assigned (sold) to you. The sale of a Put is initially designed to create income; however if exercised, the Put can provide an additional opportunity to acquire the equity security at a lower price than the current market.

MANAGEMENT FEE - The ASO Program seeks to enhance income returns using secured uncovered call/put options and/or spread options.



PERFORMANCE-BASED FEES & SIDE-BY-SIDE MANAGEMENT

Performance Trading

Should you be interested, we offer an optional performance-based management fee structure for each of the QASH Flow Advantage™ programs.

Performance Fee

The performance fee is determined based on how well each “closed position” in your account performed over a quarterly period. The performance-based fee structure is set as follows:

- ❖ If the net of all “closed positions” yields a positive return in your account at the close of the prior calendar quarter, our negotiated performance fee shall not exceed 20% of such “net closed position” value in your account. If your account does not yield a positive “net closed position”, **we earn nothing**.
- ❖ “Net closed position” is defined as the sum of all closed and realized options and equity positions (stocks, ETFs, etc...), dividend income earned, and any adjustments for your deposits and withdrawals during the quarter. Net closed positions will be computed quarterly by compiling a performance transaction report, which we will make available to you.
- ❖ Unrealized securities transactions are **not** included in the performance fee calculation. Meaning, if you currently hold **any** open security position in your account, such net asset value of those securities are excluded from the performance fee calculation.

Performance Fee Billing

The performance-based fee is billed to the account quarterly in arrears. A performance-based fee will **only** be assessed if you have a positive quarterly net closed position in your account. The fee will not exceed 20% of this net closed position. For example, if the net closed position in your account was \$50,000 on March 31st, our fee would be 20% of the \$50,000.00... \$10,000.

Performance traded accounts are **transaction-based**; meaning, a transaction fee will be charged to your account by the custodial firm for each security buy/sell transaction. Since your performance traded account will **not** be charged a base-management fee (i.e.; a reduced asset-based management in addition to the performance fee.), the asset-based fee, which wraps both brokerage and advisory fees in to one, would not work under this arrangement.

Termination Provision for Performance Trading

Performance Trading can be terminated at any time. Upon termination, if your performance-based management account exceeds the quarterly high watermark established for your account at the beginning of the calendar quarter, we will bill your account our performance fee.



Regulatory Restrictions

To participate in the Performance Trading fee structure, you must meet the minimum requirements of SEC Rule 205-3(d)(1), which are only available to you, and even then, only if: (i) You fully understand the risks involved in performance-based fee management; (ii) You have at least \$750,000 under management with us or a net worth equal to or greater than \$1,500,000; or, (iii) You are a “qualified purchaser” under Section 2(a)(51)(A) of the Investment Company Act of 1940.

Positives and Negatives with Performance Trading Accounts

Under our performance-based fee arrangement, since each of the QASH Flow Advantage™ programs are managed **exactly the same**, regardless of fee structure, your primary concern should be on a **transaction-based vs. asset-based fee**.

TD Ameritrade, Inc., who is offering the asset-based fee arrangement, performed a cost analysis of our trading activities and then negotiated the asset-based fee schedule disclosed above under each of the QASH Flow Advantage™ programs. This cost analysis provided TD Ameritrade, among other things, an average of the total monthly fees we generate for securities transactions in all our clients’ accounts custodied at TD Ameritrade and then expressed these transaction fees as a percentage of assets under management. Essentially, on any given quarter the asset-based fee paid to TD Ameritrade for securities transactions would be the equivalent to the total transaction-based fees generated during the same time period. The negative to you are those quarters where we have increased trading activities above the average determined by TD Ameritrade in their cost analysis - this would cause you to pay more in transaction-based fees. The opposite could be said if our quarterly trading activities were less than the average in the cost analysis - your transaction-based fees would be less than the asset-based fees.

In addition to the transaction-based fees, you understand that you will pay more in total fees if you elect the performance-based fee structure **and** the QASH Flow Advantage™ program you chose provides **consistence** positive returns on your closed positions. The opposite could be said if your account, under the performance-based fee arrangement, did not yield a positive return on you closed positions every quarter. If this were the case, your account would **not** be accessed a performance-based fee for each quarter a positive return was not achieved on your closed positions.

A performance-based fee arrangement gives you the ability to hedge our fees. The benefit, in comparing the non-performance (standard) management fee with our performance fee is, if we **don’t** achieve a positive closed position quarterly you pay no standard management fee for your account while enjoying an overall moderate to neutral return. The negative, if we **do** achieve positive closed position returns quarterly, is the fee you would pay would be a share of the net closed positions of the exceptional investment returns in your account. Standard management fee accounts always pay a quarterly fee, based on total assets under management regardless of whether your account achieved a positive or negative net closed positions return.

TYPES OF CLIENTS

ITEM 7

The types of clients we offer advisory services to are described above under “Who We Are” in Item 4, the “**Advisory Business**” section. Our minimum account size for portfolio management is disclosed above under “Investment Programs” in Item 5 above in the, “**Fees & Compensation**” section of this Brochure.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES & RISK OF LOSS

Methods of Analysis

The analysis we use for our option trading strategy using our proprietary Exchange Traded Fund ("ETF") hedged covered call program will be a combination of analysis techniques to gathering information and to guide us in our management decisions.

Quantitative Analysis

Quantitative analysis seeks to understand the behavior of a security using mathematical and statistical modeling to measure certain unique characteristics such as, for example, revenues, earnings, margins, and market share. Mathematical and statistical modeling helps us to ascertain security price and risk to ultimately help identify profitable opportunities.

Technical Analysis

Technical analysis utilizes current and historical pricing information to help us identify trends in the broader domestic and foreign equity and fixed income markets, and in the underlying assets themselves. This may involve the use of various technical indicators, such as moving averages and trend-lines, among others.

Cyclical Analysis

Market cycles provide historic tried and true timing mechanisms to indicate turning points in future market prices. By tracking historic data through charts and graphs we can improve entry and exit timing strategies. Coupling cyclical analysis with technical analysis helps to ensure the most favorable buy/sell signal.

Technical analysis is short-term focusing on the statistics generated by market activity. Quantitative analysis assists us with portfolio optimization. Cyclical analysis provides us with historical data on market trends to focus our quantitative and technical analysis for ideal entry/exit points.

The QASH Flow Advantage™ Strategy

The QASH Flow Advantage™ Program is an option trading strategy³ that focuses on the creation of cash flow primarily from option selling using ETFs and occasionally common stocks with solid dividend yields that are qualified for option selling. We will utilize the following investments and strategies for this purpose:

- ❖ **Covered Call Options** - Covered Call Options will be used against the ETFs and stocks.
- ❖ **Uncovered Call/Put Writing** - Uncovered call and put writing will be used in Asset Secured Option (ASO) Program where client portfolios serve as collateral to allow the sale of stock, fund, and index options.

³ Prior to any activity in our QASH Flow Advantage™ program, you will be provided with a copy of the "Characteristics and Risks of Standardized Options" produced by the Chicago Board Options Exchange. It is mutually understood between you and us, that you have read this document prior to engaging us to perform option-trading activities. The "Characteristics and Risks of Standardized Options" thoroughly explain the risks and rewards associated with option trading.



- ❖ **Spread Options** - The purchase and sale of call and put option spreads both debit and credit, which utilize two (2) or more options of similar stocks, fund, or indexes (ASO Program Only.).
- ❖ **Option Collars** - Option collars are designed to protect against downside risk while restricting upside growth in a client's portfolio

The QASH Flow Advantage™ Program is designed to generate income and because of this there is a tradeoff to this investment strategy. The tradeoff is that your investment portfolio will be limited in its upside potential in exchange for moderate to substantial downside protection.

Managing Risk

As our U.S. financial markets continue to evolve to address the demands of a growing global economy, the need for an investment professional familiar with complicated investment products and risk management strategies that thrive in such an economic environment becomes paramount. Conventional "buy-and-hold" investment strategies do not take these evolving market conditions into consideration and, therefore, are not designed to reduce exposure to market declines if left unchecked. For this reason, we feel that a more proactive approach to investment management is necessary to achieve the long-term returns you desire.

The QASH Flow Advantage™ strategy recognizes five basic premises:

1. Buy and Hold is dead
2. Investors are inherently risk-averse.
3. The markets are basically efficient.
4. Increased cash flow is a key investor focus.
5. Substantial cash flow will reduce market risk.

DISCIPLINARY INFORMATION

ITEM 9

There are no legal or disciplinary events to report at this time that are material to your evaluation of our advisory business.

OTHER FINANCIAL INDUSTRY ACTIVITIES & AFFILIATIONS

ITEM 10

Financial Industry Affiliations

Mr. Jeffrey R. Neher is the Managing Member of Real Time Options, LLC that offers on a subscription basis internet access to www.RealTimeOptions.com for real-time option trading strategies and monthly newsletter. Mr. Neher devotes approximately 20% of his time preparing the monthly newsletter and managing the Real Time Options website.

Since some of the real-time option trading recommendation made to the www.RealTimeOptions.com subscribers mirrors those managed accounts in our QASH Flow Advantage™ program, Mr. Neher has implemented safeguards to prevent issues, such as "front-running" or "tailgating" - the taking advantage of advance knowledge of pending orders for ones own account or for the accounts of others. The primary safeguard is: option trading recommendations will be published on the Real Time Options website 5 minutes prior to implementing trades in our QASH Flow Advantage™ Program accounts.

CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS & PERSONAL TRADING

ITEM 11

Code of Ethics

As a fiduciary, the Company has an affirmative duty to render continuous, unbiased investment advice, and at all times act in your best interest. To maintain this ethical responsibility, we have adopted a Code of Ethics that establishes the fundamental principles of conduct and professionalism expected by all personnel in discharging their duties. This Code is a value-laden guide committing such persons to uphold the highest ethical standards, rooted in the most elementary maxim. Our Code of Ethics is designed to deter inappropriate behavior and heighten awareness as to what is right, fair, just and good by promoting:

- ❖ Honest and ethical conduct.
- ❖ Full, fair and accurate disclosure.
- ❖ Compliance with applicable rules and regulations.
- ❖ Reporting of any violation of the Code.
- ❖ Accountability.

To help you understand our ethical culture and standards, how we control sensitive information and what steps have been taken to prevent personnel from abusing their inside position, a copy of our Code of Ethics is available for review upon request.

Client Transactions

We have a fiduciary duty to ensure that your welfare is not subordinated to any interests of ours or any of our personnel. The following disclosures are internal guidelines we have adopted to assist us in protecting all of our clientele.

Participation or Interest

It is against our policies for any owners, officers, directors and employees to invest with you or with a group of clients, or to advise you or a group of clients to invest in a private business interest or other non-marketable investment unless prior approval has been granted by Mr. James R. Neher, and such investment is not in violation of any SEC and/or State rules and regulations.

Trading Allocation

Our objective in order execution is to act fairly, impartially, and to take all reasonable steps to obtain the best possible results (known as "best execution") for our clients. Therefore, we will not bunch (aggregate) orders for a block trade unless: (i) the bunching of orders is done for the purpose of achieving best execution; and, (ii) no client is systematically advantaged or disadvantaged by bunching the orders.

In consideration of these objectives, we will take into account the unique execution factors of the buy/sell order before bunching accounts for a block trade. A few of those factors are:

- ❖ **Security Trading Volume** - Bunching orders in a block trade can secure price parity and continuity for our clients during heavy trading activity.
- ❖ **Number of Clients** - The fewer the number of client accounts involved in the bunched order may not yield better pricing or order execution; it may be more



advantageous to perform an individual market order for each client. In addition preparing individual market orders, for the small number accounts involved, may be quicker to complete than preparing a bunch order.

- ❖ **Financial Instruments** - The type of security involved as well as the complexity of order can affect our ability to achieve best execution.

If you would like more detailed information on our trading allocation policies a copy of our Group Trading Allocation Procedures is available for review upon request.

Personal Trading

Employees of ours are permitted to personally invest their own monies in securities, which may also be, from time to time, recommended to you. Most of the time, such investment purchases are independent of, and not connected in any way to, the investment decisions made on your behalf. However, there may be instances where investment purchases for you may also be made in an employee's account. In these situations we have implemented the following guidelines in order to ensure our fiduciary integrity:

1. No employee acting as an Investment Advisor Representative (RA), or who has discretion over your account, shall buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment, unless the information is also available to the investing public on reasonable inquiry. No employee of ours shall prefer his or her own interest to that of yours or any other advisory client.
2. We maintain a list of all securities holdings for all our access employees. Mr. Neher reviews these holdings on a regular basis.
3. We require that all employees act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
4. Bunched orders (See "Trading Allocation" above) may include employee accounts. In such cases, priority and advantage will be given to satisfy your order first regardless of the situation.
5. Any individual not in observance of the above may be subject to termination.

Personal trading activities are monitored by Mr. Neher to ensure that such activities do not impact upon your security or create conflicts of interest.

Class Action Policy

The Company, as a general policy, does not elect to participate in class action lawsuits on your behalf. Rather, such decisions shall remain with you or with an entity you designate. We may assist you in determining whether you should pursue a particular class action lawsuit by assisting with the development of an applicable cost-benefit analysis, for example. However, the final determination of whether to participate, and the completion and tracking of any such related documentation, shall generally rest with you.

Insider Trading

The Company is in compliance with the Insider Trading and Securities Fraud Enforcement Act of 1988. We do not share any non-public information with anyone who does not need to know and has set-up internal controls to guard your personal information.

BROKERAGE PRACTICES

Custodial Services

The Company maintains a custodial relationship with TD Ameritrade, Inc. ("TD Ameritrade"), a licensed broker-dealer (member FINRA/SIPC/NFA), through their division TD Ameritrade Institutional for investment advisors. TD Ameritrade offers us services which include custody of securities, trade execution, clearance and settlement of transactions.

We are not a subsidiary of, or affiliated with TD Ameritrade in any manner. We have sole responsibility for investment advice rendered, and advisory services are provided separately and independently from TD Ameritrade.

TD Ameritrade Institutional Advisor Program

We participate in TD Ameritrade Institutional Advisor Program ("Program") for investment advisors. Our recommendation for you to custody your assets with TD Ameritrade has no direct correlation or link between our participation in the Program and the investment advice we offer you, although we do receive economic benefits through our participation in the Program that are typically not available to TD Ameritrade retail clients.

These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a dedicated trading desk; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to accounts); the ability to have advisory fees deducted directly from accounts; access to an electronic communications network for order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to us by third party vendors.

TD Ameritrade may also have paid for business consulting and professional services received by our related persons. Some of the products and services made available by TD Ameritrade through the Program may benefit us and not you or your account. These products or services may assist us in managing and administering your accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help us manage and further develop our business enterprise. The benefits received by us or our personnel through participation in the Program do not depend on the amount of brokerage transactions directed to TD Ameritrade.

As part of our fiduciary duties to you, we endeavor at all times to put your interests first. You should be aware, however, that the receipt of any economic benefit creates a potential conflict of interest for us and our personnel and can indirectly influence our recommendation to you to use TD Ameritrade for custody and brokerage services.

Additional Services

The Company 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 Thinkpipes market data and the Orion Advisor Services, LLC.



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

Our receipt of Additional Services raises potential conflicts of interest. In providing Additional Services to us, TD Ameritrade most likely considers the amount and profitability to TD Ameritrade of the assets in, and trades placed for, your account, as well as with other client accounts, maintained with TD Ameritrade. TD Ameritrade has the right to terminate the Additional Services Addendum with us, in its sole discretion, provided certain conditions are met. Consequently, in order to continue to obtain the Additional Services from TD Ameritrade, we may have an incentive to recommend that your assets we manage be held in custody with TD Ameritrade and to place transactions for your account(s) with TD Ameritrade. The receipt of Additional Services does not diminish our duty to act in your best interest, including seeking best execution of trades for your account(s).

Direction of Transactions and Commission Rates (Best Execution)

We have a fiduciary duty to at all times, put your interests before our own. The advisory support services, the Additional Services Agreement, and the Wrap Fee Program arrangements with TD Ameritrade creates an economic benefit to us and a potential conflict of interest to you in that our recommendation to custody your account(s) with TD Ameritrade may have been influenced by these arrangements/services. This is not the case. We selected TD Ameritrade as the custodian of choice based on their competitive transaction charges, our familiarity with TD Ameritrade's trading platform, and on-line services for account administration and operational support.

Furthermore, we make no recommendation that you custody your account(s) with TD Ameritrade solely on their commission rates being the lowest. Your investment needs, general reputation, trading capabilities, investment inventory, their financial strength, and our personal experience working with TD Ameritrade have been considered, among other items, in suggesting TD Ameritrade to you. However, since we do not recommend, suggest or make available a selection of custodians, other than TD Ameritrade for you to choose to custody your account(s), best execution may not always be achieved and you may pay higher transaction fees.

REVIEW OF ACCOUNTS

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Our basic service is active portfolio management and each account is reviewed daily in the normal course of market observation by the supervised person over your account. All accounts are reviewed in the context of investment objective of our QASH Flow Advantage™ Program. No individual reallocations are made except in the case of your cash needs.

You will receive monthly statements from TD Ameritrade, Inc. where your account(s) are custodied. Each statement will summarize the specific investments currently held, the value of your portfolio and account transactions.



CLIENT REFERRALS & OTHER COMPENSATION

ITEM 14

Referral Compensation

We may directly compensate persons/firms for client referrals, provided that those persons are qualified and have entered a solicitation agreement with us. Under such arrangements, if you were referred to us by a solicitor, the solicitor will provide complete information on our relationship and the compensation that solicitor will receive should you choose to open an account. In no case will the fee that you pay be higher than it would be if you had dealt directly with us.

CUSTODY

ITEM 15

We do not take possession of or maintain custody of your funds or securities, but will simply monitor the holdings within in your portfolio and trade your account based on QASH Flow Advantage™ Program investment objectives. Possession and custody of your funds and/or securities shall be maintained directly with TD Ameritrade, Inc. as indicated above under Item 12, "Brokerage Practices".

TD Ameritrade will send monthly statements summarizing the specific investments currently held in your account, the value of your portfolio, and account transactions. You are encouraged to verify the transaction activities disclosed to you in your statement.

INVESTMENT DISCRETION

ITEM 16

Securities and Amount Bought or Sold

We execute an Investment Advisory Agreement with you, which set forth the authority to buy and sell securities in whatever amounts are determined to be appropriate for your account and whether such transactions are with, or without, your prior approval.

VOTING CLIENT SECURITIES

ITEM 17

We are hereby expressly precluded from voting proxies. You understand and agree that you retain the right to vote all proxies, which are solicited for securities held in your managed accounts. Any proxy solicitations received by the custodian will be immediately forwarded to you for your evaluation and decision.



FINANCIAL INFORMATION

ITEM 18

We are not required to include financial information in our Disclosure Brochure since we will not take custody of client funds or securities or bill client accounts six (6) months or more in advance for more than \$1,200.

END OF DISCLOSURE BROCHURE