

Petersen & Ramistella, Inc.



Petersen & Ramistella, Inc.

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Form ADV Part 2A

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This brochure provides information about the qualifications and business practices of Petersen & Ramistella, Inc. ("P&R"). If you have any questions about the contents of this brochure, please contact us at (831) 372-3426 and/or via ken.petersen@priwm.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 P&R also is available on the SEC's website at www.adviserinfo.sec.gov.

Although P&R may use the term "registered investment adviser" or use the term "registered" through this Form ADV Part 2A, the use of these terms is not intended to imply a certain level of skill or training.

Annual Update

The Material Changes section of this brochure will be updated annually and/or when material changes occur since the previous release of the Firm Brochure. A summary of changes is necessary to inform clients of any substantive changes to the Firm's policies, practices or conflicts of interests so that they can determine whether to review the brochure in its entirety or to contact the Firm with questions about the changes.

Material Changes since Last Update

The U.S. Securities and Exchange Commission ("SEC") 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. On January 1, 2011, compliance with the Rule became mandatory. All new investment adviser registrations must comply with the Rule. March 31, 2011 is the final compliance date for all advisers with fiscal year ending December 31, 2010. Filing via IARD must be made within 90 days of the end of each adviser's fiscal year end.

Full Brochure Available

Clients, who would like to receive a complete copy of our Firm Brochure, please contact us by telephone at (831) 372-3426 or by fax (831) 372-2964.

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Advisory Business

Petersen & Ramistella, Inc. ("P&R") is a registered investment advisor with the Securities and Exchange Commission ("SEC") established in 2002 to provide investment advisory services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, and/or small businesses ("Client" or "Clients").

Principal Owners

For the purpose of this section, P&R lists its principal owners as any person directly owning 25% or more of P&R as disclosed on Schedule A of Part 1A as of date of the last update filing.

P&R's principal owners are as follows:

- Kenneth B. Petersen is a direct owner and principal of P&R with more than 75% ownership.

Name: Kenneth B. Petersen
Date of Birth: 01/02/1943
Education: Old Dominion University, Norfolk, VA; MBA in Finance (1977)
Naval Post Graduate School, Monterey, CA; MS in Ops. Research (1973)
Illinois Institute of Technology; BS in Mechanical Engineering (1965)
Background: Petersen & Ramistella, Inc.; Principal (12/02- Present)
Petersen Financial Advisors, Inc.; President (09/86-12/04)
Foothill Securities, Inc.; Registered Principal (11/96-12/02)

P&R is not a publicly held company and no part of P&R is owned by an individual or company through any subsidiaries or "intermediate subsidiaries."

Types of Advisory Services Offered

Asset Management Account

P&R offers clients an asset management account where a variety of securities can be purchased and held without commissions or loads. Clients may choose from stocks, bonds, load-waived mutual funds, no-load mutual funds, variable annuities, and other securities. Clients may be charged transaction charges by the custodian. P&R will assist Clients in determining, among other things, suitability, investment objectives goals, time horizons, and risk tolerances. The asset management account is offered on a discretionary or non-discretionary basis.

P&R will tailor its advisory services to the specific needs and objectives of each advisory client. Clients may also impose restrictions on investing in certain securities or types of securities. Most of which is generally covered in the client's investment advisory agreement and/or financial planning agreement.

P&R does not participate in a wrap fee program at this time.

As of February 8, 2011, the amount of client assets under advisement is calculated as follows:

Non-discretionary: \$128,999,504.00 (188 Accounts)

P&R's method for computing the amount of "*client* assets you manage" is the same method for computing "assets under management." The amount as disclosed above may be rounded to the nearest \$100,000. The date of the calculation above is not more than 90 days before the date P&R last updated its *brochure*.

Financial Planning Services

P&R may offer individual or corporate financial planning services to include comprehensive or segmented (limited) financial plans, investment plans, and/or individual consultations regarding a Client's financial affairs. The design and implementation of a financial plan may begin with the process of gathering data regarding income, expenses, taxes, insurance coverage, retirement plans, wills, trusts, investments and/or other relevant information pertaining to a Client's overall financial situation. This information is carefully analyzed taking into account a Client's goals and stated objectives and a series of recommendations and/or alternative strategies will be developed which are designed to achieve optimum overall results.

Investment Newsletter

P&R periodically distributes a free informational newsletter (Monterey Bay Investor) to its clients on a periodic basis containing various investment related topics.

Fees and Compensation

Investment Management Fees

Fees shall be based on a percentage of assets under management or fixed fees, and shall be negotiable and discussed and agreed upon in advance by P&R and Client. At no time will fees exceed 3% of assets under management. Additionally, fees are not collected for services to be performed more than six (6) months in advance. P&R does not and will not have custody of client's funds or securities. Additionally, fees are negotiable on an individual basis.

Fees based on assets under management for Ken Petersen are as follows:

<u>Market Value of Portfolio</u>	<u>Annual Fee Range</u>
From \$0- \$1,000,000	1.00%
The balance of \$1,000,000 - \$2,000,000	0.60%
The balance over \$2,000,000+	0.50%

Financial Planning Fees

In consideration of financial planning services as provided by P&R, Client shall agree to pay P&R a flat rate fee (or range), or an hourly fee depending on the type of financial planning services offered. Factors that may affect pricing include whether financial planning services are for an individual or corporation, or if such services are considered comprehensive or segmented (limited), investment plans, and/or individual consultations regarding a Client's financial affairs

Fees for financial planning services that are charged on a *flat rate basis* may require a minimum retainer fee of \$500-\$5,000 or fifty percent (50%) of the total fee prior to commencing work. Client will pay the difference or remainder of the fee upon P&R's delivery of a financial plan and/or completion of the services. Fees for consultation services that are charged on an *hourly basis* may range from \$100-\$300 per hour depending on the complexity of each financial plan, and may require fifty percent (50%) of total fee due in advance based on an estimated number of hours of services to be provided. Client agrees that the remainder of the fee is due upon completion of the services. If it appears that the quoted fees will exceed the estimated amount of time as stated above, P&R will contact the Client to obtain approval prior to continuing such services.

All fees, refund policies, termination provisions and other relevant disclosures as they related to financial planning services are disclosed in a separate agreement, which is given to the Client prior to, or at the

time of entering into such agreement. Each Client will receive a copy of Form ADV Part II, the separate agreement and other relevant disclosure documents as required by law from P&R.

In the event the Client chooses financial planning services, P&R shall not be compensated on the basis of a share of capital gains upon, capital appreciation of the funds, or any portion of the funds of Client except as may be authorized by the appropriate federal or state securities regulatory authority.

Fees charged to clients may be higher or lower than the aforementioned fees depending on the nature of any pre-existing relationship, the complexity of the accounts, or terms and conditions of any outstanding or pre-existing verbal or written agreement to which P&R is a party.

Clients who wish to terminate their account must notify P&R verbally within five (5) business days of its execution with written notice to follow within the next twenty-four (24) hours. If services are terminated within (5) business days of executing the Client agreement, services will be terminated without penalty. After the initial (5) business days, the Client may be responsible for payment of fees for the number of days services are provided (including a 30 day period) by P&R prior to receipt of the notice of termination.

Performance-Based Fees and Side-By-Side Management

Neither P&R or any of its *supervised persons* accepts *performance-based fees* – that is, fees based on a share of capital gains on or capital appreciation of the assets of a *client* (such as a *client* that is a hedge fund or other pooled investment vehicle). Therefore, there are no conflicts of interest that P&R or its *supervised persons* may face by managing these accounts at the same time, to include any incentive to favor accounts for which P&R or its *supervised persons* receive a *performance-based fee*.

P&R and its supervised persons charge a minimum fee plus a fee based on the amount of assets under advisement as list above.

Types of Clients

P&R is a registered investment advisor with the Securities and Exchange Commission (“SEC”) providing investment advisory services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, and/or small businesses (“Client” or “Clients”).

The fee range for each particular service is subject to negotiation and could vary depending upon various circumstances, including the scope of the services to be provided (the minimum fees and fee ranges for existing clients prior to current calendar year may differ from those indicated). However, P&R may impose certain requirements for opening and/or maintaining an account, such as a minimum account size or minimum fees and fee ranges.

P&R may impose certain requirements for opening an account such as a minimum investment amount. The minimum investment required by an individual investor client is generally \$500,000. Accounts below these minimums may be negotiable and accepted on an individual basis at the firm's discretion. However, P&R may from time to time establish, modify and waive account or investment minimums for different investment products and/or services. Also please see Fees and Compensation above for further details on investment minimums.

Methods of Analysis, Investment Strategies and Risk of Loss

P&R's methods of analysis, sources of information and investment strategies may include the use of fundamental analysis.

As with most investment products, because investment portfolios include securities, investing in securities involves risk of loss that you as our client should be prepared to bear.

P&R does not normally employ a frequent trading strategy for its clients, but if it should it is important to note that such a strategy can have an affect on investment performance, particularly through increased brokerage and other transaction costs and taxes.

P&R does not recommend any particular type of security as part of its overall investment advisory services.

Disciplinary Information

There are no disclosure events involving a criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which P&R or its management personnel are involved.

There are no disclosure events involving an administrative *proceeding* before the SEC, any other federal regulatory agency, any state regulatory agency, or any *foreign financial regulatory authority* in which P&R or its management personnel are involved.

There are no disclosure events involving a *self-regulatory organization* ("SRO") *proceeding* in which P&R or its management personnel are involved.

Other Financial Industry Activities and Affiliations

Neither P&R nor any of its *management persons* are registered, or have an application pending to register, as a broker-dealer or a registered representative.

Neither P&R nor any of its *management persons* are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

Neither P&R nor any of its *management persons* maintain any relationship or arrangement that is material to P&R's advisory business or to P&R's *clients* that P&R or any of its *management persons* have with any *related person* including but not limited to a (1) broker-dealer, municipal securities dealer, or government securities dealer or broker; (2) investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund); (3) other investment adviser or financial planner; (4) futures commission merchant, commodity pool operator, or commodity trading advisor; (5) banking or thrift institution; (6) accountant or accounting firm; (7) lawyer or law firm; (8) insurance company or agency; (9) pension consultant; (10) real estate broker or dealer; and/or (11) sponsor or syndicator of limited partnerships.

P&R does not recommend or select other investment advisers for its *clients* or receive compensation directly or indirectly from those advisers as a result of such a recommendation or selection by P&R.

If a client is introduced to P&R by either an unaffiliated or an affiliated solicitor, P&R may pay that solicitor a referral fee in accordance with the requirements of *Rule 206(4)-3 of the Investment Advisers Act of 1940*, and any corresponding state securities law requirements. The Client will under no circumstances be charged an additional fee for such arrangement. Compensation arrangement will vary with each solicitor. If the Client is introduced to P&R by an unaffiliated solicitor, the solicitor, at the time of the solicitation, shall disclose the nature of the solicitor relationship, and shall provide each prospective client with a copy of the Firm's written disclosure statement as set forth in Part II of Form ADV, including this Schedule F, together with a copy of the written disclosure statement from the solicitor to the client disclosing the terms and conditions of the arrangement between P&R and the solicitor, including the compensation to be received by the solicitor from P&R. Any affiliated solicitor of P&R shall disclose the nature of the relationship to prospective clients at the time of the solicitation and will provide all prospective clients with a copy of P&R's written disclosure statement as set forth in Part II of Form ADV.

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

Code of Ethics

P&R adopted the following Code of Ethics in accordance with SEC rule 204A-1 or similar state rules:

- **Fiduciary Responsibility-** P&R and its staff shall exercise the highest standard of care in protecting and promoting the interests of its clients, and will provide a written disclosure containing any conflicts of interest that may compromise their impartiality or independence. As fiduciary, P&R shall not accept any referral fees or compensation that is contingent upon the purchase or sale of any financial product.
- **Integrity-** All professional services shall be rendered with the highest level of integrity.
- **Objectivity-** P&R and its staff shall provide advice that is objective and in the best interest of the client and without conflicts of interest.
- **Competence-** P&R and its staff shall maintain the necessary knowledge and skills to provide our clients with competent advice and services.
- **Fairness-** All professional services shall be performed by P&R and its staff in a manner that is fair and reasonable to its clients.
- **Confidentiality-** P&R and its staff shall maintain and safeguard all confidential client information in accordance with applicable laws.
- **Diligence-** P&R and its staff shall ensure the accuracy and completeness of records, information, and data collected, used and managed, and will take necessary steps to correct any discrepancies.
- **Regulatory Compliance-** P&R and its staff shall comply fully with appropriate laws and internal regulations.

P&R will provide a complete copy of its Code of Ethics to any client or prospective client upon request.

Neither P&R nor any of its *related persons* recommend to *clients*, or buys or sells for *client* accounts, securities in which P&R or a *related person* has a material financial interest including but not limited to incidents where P&R or a *related person*, as principal, buys securities from (or sells securities to) P&R *clients*; P&R or a *related person* acts as general partner in a partnership in which P&R solicit *client* investments; or P&R or a *related person* acts as an investment adviser to an investment company that P&R recommends to *client*.

On occasion, P&R may own securities products that it also recommends to Clients, which may present a potential conflict of interest. However, as a preventative measure, all Client transactions will be conducted and implemented before any such transaction relating to any personal accounts of any affiliated persons of P&R. In addition to this measure, all of the aforementioned principals of P&R will act in accordance with applicable securities laws and conduct their business to ensure overall compliance with Insider Trading rules and the *Securities Fraud Enforcement Act of 1988*.

Brokerage Practices

P&R may recommend/require that Clients establish brokerage accounts with the Schwab Institutional® division of Charles Schwab & Co., Inc. ("Schwab") or TD Ameritrade ("TDA"), a FINRA-registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Although P&R may recommend/require that Clients establish accounts at Schwab, it is the client's

decision to custody assets with Schwab. P&R is independently owned and operated and not affiliated with Schwab.

Schwab provides P&R with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor's clients' assets are maintained in accounts at Schwab. These services are not contingent upon P&R committing to Schwab any specific amount of business (assets in custody or trading commissions). Schwab brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For P&R client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab also makes available to P&R other products and services that benefit P&R but may not directly benefit its clients' accounts. Many of these products and services may be used to service all or some substantial number of P&R accounts, including accounts not maintained at Schwab.

Schwab products and services that assist P&R in managing and administering clients' accounts include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of P&R's fees from its clients' accounts; and (v) assist with back-office functions, record keeping and client reporting.

Schwab also offers other services intended to help P&R manage and further develop its business enterprise. These services may include: (i) compliance, legal and business consulting; (ii) publications and conferences on practice management and business succession; and (iii) access to employee benefits providers, human capital consultants and insurance providers. Schwab may make available, arrange and/or pay third-party vendors for the types of services rendered to P&R. Schwab may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to P&R. Schwab may also provide other benefits such as educational events or occasional business entertainment of P&R personnel. In evaluating whether to recommend or require that clients custody their assets at Schwab, P&R may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors it considers and not solely the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

Regarding research and other soft dollar benefits, P&R does not receive research (either proprietary or non-proprietary) or other products or services other than execution services from a broker/dealer or a third party that P&R receives in connection with *client* brokerage (otherwise known as "soft dollar benefits").

P&R does not aggregate the purchase or sale of securities for various *client* accounts.

Review of Accounts

All asset management clients of P&R are managed and reviewed on a continuous basis. Overall investment management, market prospects and individual issue prospects are considered in the review

process. Triggering factors that may affect an account review could be any material change in a client's account such as a change in company earnings, industry and/or company outlook as well as general economic factors or other relevant situations, a change in mutual fund manager, mutual fund portfolio statistics, and/or mutual fund performance, that may alter a client's account or a change in a client's financial situation and/or investment goals as stated by the Client. All account reviews are conducted by either Kenneth B. Petersen or Cris Cabanillas as the designated investment adviser professional primarily responsible for each account. Generally, the Client retaining financial planning services would not receive any scheduled reviews or on-going reports, unless specifically requested and retained to provide such services by the Client.

Clients receive transaction confirmation statements and regular account summary statements directly from the custodian of their accounts (e.g., Schwab, mutual fund companies, variable annuity companies and limited partnership sponsors). Asset management clients of P&R receive quarterly reports summarizing the investments and performance.

Client Referrals and Other Compensation

If a client is introduced to P&R by either an unaffiliated or an affiliated solicitor, P&R may pay that solicitor a referral fee in accordance with the requirements of *Rule 206(4)-3 of the Investment Advisers Act of 1940*, and any corresponding state securities law requirements. The Client will under no circumstances be charged an additional fee for such arrangement. Compensation arrangement will vary with each solicitor. If the Client is introduced to P&R by an unaffiliated solicitor, the solicitor, at the time of the solicitation, shall disclose the nature of the solicitor relationship, and shall provide each prospective client with a copy of the Firm's written disclosure statement as set forth in Part 2A/B of Form ADV, together with a copy of the written disclosure statement from the solicitor to the client disclosing the terms and conditions of the arrangement between P&R and the solicitor, including the compensation to be received by the solicitor from P&R. Any affiliated solicitor of P&R shall disclose the nature of the relationship to prospective clients at the time of the solicitation and will provide all prospective clients with a copy of P&R's written disclosure statement as set forth in Part 2A/B of Form ADV.

Custody

P&R does not maintain custody of client funds and/or securities. Therefore, clients will receive their monthly and/or quarterly account statements directly from the designated broker/dealer, bank or other qualified custodian of record and therefore should carefully review those statements for accuracy. In the event that clients also receive account statements from P&R, it strongly encourages each client to compare the account statements they receive from the qualified custodian with those received by the Firm.

Investment Discretion

Upon receiving written authorization from a client, P&R may manage client assets on a limited discretionary basis. In this case, Client delegates to P&R limited discretionary trading authorization with respect to the purchase, exchange and sale of actively traded equity and equity-related securities in addition to the amount of securities to be bought or sold on behalf of the Client. Client may also hereby appoint one or more advisory representatives of P&R as a representative of P&R as agent and attorney in fact to purchase, sell and trade such securities, waivers, consents and other instruments with respect to such securities.

Voting Client Securities

P&R does not have the authority to vote client proxies and therefore is not required to take action or render advice with respect to voting of proxies solicited by or with respect to the issuers of securities in which assets of the clients account(s) may be invested from time to time. Clients will receive their proxies

or other solicitations directly from their custodian or a transfer agent. Clients may contact P&R directly at (831) 372-3426 if they have any questions regarding a particular solicitation.

Financial Information

P&R does not require or solicit prepayment of more than \$1,200 in fees per *client*, six months or more in advance.

P&R may exercise *discretionary authority* over certain *client* funds or securities. However, P&R does not anticipate any financial condition that may be reasonably likely to impair its ability to meet contractual commitments to *clients* at this time.

P&R does not have custody of client funds or securities. Please see Custody section above for further details.

P&R has not been the subject of a bankruptcy petition at any time during the past ten years.

Privacy Policy

Privacy Policy Notice

Your privacy is important to us. Your personal information is kept secure. Under federal and state law, you have a right to know what information is being collected about you and how that information will be used. P&R collects nonpublic personal information about you from the following sources:

- Information P&R receives from you on applications or other forms;
- Information about your transactions with P&R; and
- Information that you specifically have had your other professional advisors forward to P&R.

P&R does not disclose any nonpublic personal information about our customers or former customers to anyone, except as permitted or required by law, or as directed by you.

- Under law, the information P&R collects is provided to companies that perform support services on our behalf as necessary to effect, administer, or process a transaction, or for maintaining and servicing your account; and
- As directed by you, P&R will be working with your other professional advisors and P&R will provide information in our possession that is reasonably requested by the other advisors.

P&R does not give or sell information about you or your accounts to any other company, individual or group. P&R restricts access to nonpublic personal information about you to those employees who need to know that information to provide services to you. P&R maintains physical, administrative, and technical procedural safeguards to protect your nonpublic personal information. You do not need to call or do anything as a result of this notice. It is meant to inform you of how we safeguard your nonpublic personal information.

Form ADV Part 2B: Brochure Supplement

Last Updated: February 23, 2011

Supervised Persons:

Kenneth B. Petersen
Cris Cabanillas

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This brochure supplement provides information about the Supervised Persons listed above that supplement the Firm's brochure. You should have received a copy of that brochure. Please contact Kenneth B. Petersen at (831) 372-3426 and/or via email at ken.petersen@priwm.com if you did not receive the Firm's brochure or if you have any questions about the contents of this supplement.

Additional information about the Firm also is available on the SEC's website at www.adviserinfo.sec.gov.

Educational Background and Experience

P&R requires certain licensing standards as well as a certain level of business experience for giving investment advice to clients. For example, all advisors must be professionals with relevant industry experience in order to adequately demonstrate a certain level of expertise in securities management and analysis. P&R requires that all investment adviser representatives maintain the minimum licensing qualifications in accordance with all federal, state, and self-regulatory organization (SRO) rules and regulations.

Name: Kenneth B. Petersen
Date of Birth: 01/02/1943
Education: Old Dominion University, Norfolk, VA; MBA in Finance (1977)
Naval Post Graduate School, Monterey, CA; MS in Ops. Research (1973)
Illinois Institute of Technology; BS in Mechanical Engineering (1965)
Background: Petersen & Ramistella, Inc.; Principal (12/02- Present)
Petersen Financial Advisors, Inc.; President (09/86-12/04)
Foothill Securities, Inc.; Registered Principal (11/96-12/02)
Designations: Certified Financial Planner (CFP®)

Name: Cristofer A. Cabanillas
Date of Birth: 03/11/1977
Education: San Diego State University, CA; Personal Financial Planning (2004)
University of San Diego, CA; B.A. Economics (1999)
Background: Petersen & Ramistella, Inc.; Advisory Representative (06/03- Present)
La Jolla Institute for Wealth Management; Financial Analyst (11/99-07/03)
Stone Age Tile & Marble; Laborer (08/99-11/99)
SunAmerica Securities; Registered Principal (10/99-10/99)
Camp Adventure Univ. of N. Iowa; Camp Director (06/99-08/99)
Galaxie Management; Research & Analysis (01/98-06/99)
Laffer Associates; Research Intern (02/99-06/99)
Designations: Certified Financial Planner (CFP®)

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

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

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

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board’s studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor’s Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board’s financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;

- Examination – Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances;
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board's *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

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

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

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

Disciplinary Information

There are no disclosure events involving a criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which P&R or its personnel are involved.

There are no disclosure events involving an administrative *proceeding* before the SEC, any other federal regulatory agency, any state regulatory agency, or any *foreign financial regulatory authority* in which P&R or its personnel are involved.

There are no disclosure events involving a *self-regulatory organization* ("SRO") *proceeding* in which P&R or its personnel are involved.

If this supplement is delivered electronically, and any supervised person under the firm has a disciplinary history, the details of any disclosure may be found on either the Financial Industry Regulatory Authority's ("FINRA") BrokerCheck system (www.finra.org/brokercheck) or the IAPD (www.adviserinfo.sec.gov).

There is no other *proceeding* in which a professional attainment, designation, or license of any of the supervised persons as part of this Brochure Supplement was revoked or suspended because of a violation of rules relating to professional conduct, nor were there any incidents where any of the supervised persons as part of this Brochure Supplement resigned (or otherwise relinquished his attainment, designation, or license) in anticipation of such a *proceeding*.

Other Business Activities

None of P&R's *supervised person(s) listed above* is actively engaged in any *investment-related* business or occupation, including if the *supervised person* is registered, or has an application pending to register, as a broker-dealer, registered representative of a broker-dealer, futures commission merchant ("FCM"), commodity pool operator ("CPO"), commodity trading advisor ("CTA"), or an associated *person* of an FCM, CPO, or CTA.

Additional Compensation

None of the supervised persons listed above as part of this Brochure Supplement receive any economic benefit (e.g. sales awards or other prizes) as that term is defined, for providing advisory services.

Supervision

Kenneth B. Petersen is the designated supervisor and CCO for P&R responsible for providing supervisory oversight regarding P&R's advisory business. Mr. Petersen's contact information is (831) 372-3426. All supervision is performed on a regular and continuous basis where all transactional activity is reviewed and approved by Mr. Petersen as well as a review of ongoing management of investment advice and the issuance of financial plans.