

Frederick J Amrein
Amrein Financial
New ADV Form
Part 2
6/26/11

Overview

This report is in compliance with the new regulations for the ADV Part 2. It is a document that describes how Fred Amrein of Amrein Financial does business and to make it more consumer friendly to read.

Fred Amrein is a fee-only, independent financial planner. I am not compensated by any of the financial products that I recommend. This reduces the risk of a conflict of interest in the way I am compensated for my services. I am a member of the National Association of Personal Financial Advisors (NAPFA) and National College Advocate Group (NCAG).

My education includes a MBA in Finance and Bachelor of Science in Accounting and Marketing from Saint Joseph's University. I also hold a Charter Financial Consultant (ChFC) from The American College.

I am the founder and owner of Amrein Financial since 2002. I also have financial experience in information technology, international finance and product management for a fortune 100 corporation. I was born in 1958.

I currently do not pay or receive any money for referral of business.

Advisory Services and Fees

Fred Amrein provides three types of financial services. These include college financial planning, general financial planning, and investment management. The fees for these services are listed below. Each of these services requires a separate contract which is signed by both parties. A detailed description of the service is included in the contract. A meeting prior to signing also occurs to fully explain the services being rendered.

The college planning services includes three unique services. The focus of the service is primarily only the financial aspects of the college process. This service reviews the financial aid position, college investment options and the various tax incentives. This service does not provide a college recommendation process outside of the financial analysis.

The financial planning service is a goal based process that analyzes your financial life. It reviews your current net worth, financial goals, risk tolerance, and other general financial aspects. A financial plan is normally a three meeting process to complete. The result of this process is for you to better understand your financial position and to analyze the various financial options you may have. It is normally required before a client can move to the investment option service.

The investment management service is the most comprehensive service available to clients. Within this service we manage all or a portion of your investable assets. It includes phone access for all of your financial questions and decisions. At no point within this process does Fred Amrein or Amrein

Financial take ownership of your assets. All of your funds are held at a third party custodian. This allows you complete access to view your accounts and independent reporting of your money. Updates to your financial plan and college plan are at no additional cost while under the investment management contract. The client will have the option of discretion or non-discretion investment authority regarding the investment control. This is selected in the asset management contract.

Some of the investments that I purchase for my clients are also part of my portfolio.

An hourly consulting option is available. This requires the client to describe the work that is needed. I will then send a cost proposal and contract that both parties agree. Unlike the college and financial plan agreements, the client assumes the risk of additional hours charged or changes in the scope of the project.

Throughout all of these services I may come across legal and tax situations. I am not an attorney or tax expert. I will give an opinion but those situations will need to be addressed by the proper experts and further steps will need to be taken by the client. I will help the client identify and explain their situation to the proper expert if requested.

Fee Schedule

The fee schedule is based on past work experience and are calculated in accordance with the following negotiated fee schedule. Descriptions of each service are provided within the individual contracts. Some plans may vary based on complexity

Services Fees

Financial Plan	\$1,500 – 2,500 (Based on Complexity)
Family College Plan	\$650
Finding Cash for College	\$750
College Plan	\$950
Aid Form Update	\$150 (Prior Clients only)
Hourly Consulting Fee	\$150 per hour

The service fees will be due 50% at commitment and the remaining balance at delivery of the final report. A client may request a full refund prior to the delivery of the report. If the client is unhappy with the services a full refund is also available upon return of the report and recapture of any of the information. A full refund is available within five days of signing any of our service agreements. An advance is limited to \$500 dollars.

Investment Management Fees

Client shall pay Amrein Financial, a fee on a quarterly basis, in arrears, based on the fair market of the account assets. As determined by the custodian, as of the last business day of the previous months total. The fee will be billed in January, April, July and October. They are no assets minimums but a minimal fee of \$1,250 is payable on a full year of service. The percentages are on an annual basis and calculated in accordance with the following negotiated fee schedule. A fixed annual retainer option is also available.

Up to \$1 million	1% of assets or \$1,250 per customer year which ever is greater
\$1 to \$3 million	.75% of assets over \$1 million
Over \$3 million	.60% of assets over \$3 million

At this time we do include assets in 529 plans as investible assets due to there limited investment options and flexibility. The client must also pay the third party administration fees and transaction cost. My recommendation and investment process try to minimize these costs.

Investments

From a planning and analysis view we are able to address most investments held by clients. If I am unclear on a specific investment I may seek outside advice with the client consent or exclude it from the analysis based on a conversation with the client.

The primary investments we use in our clients portfolios are Exchange Traded Funds (ETF), No-Load Mutual Funds, Corporate and Municipal Bonds, Certificates of Deposit, Government Securities and various college saving plans.

I can give an opinion on various insurance products but since these are commission based products, I am unable to make specific product recommendations. I am to explain the various products and give recommendations on the amount of insurance that is needed.

The method of investment analysis includes Charting, Fundamental, Technical, Cyclical, and Modeling. I use a mixture of each of these depending on the investment and client goals. In most cases I identify investment opportunities using these methods. I then evaluate each client portfolio and decide if this opportunity is appropriate for that client, based on their goals and risk tolerance. A decision is then made on the amount that will be purchased for that client.

The sources of information come from various financial publications, research prepared by others, prospectuses filed with the SEC, and company public releases. At this time, I do not invest in any private equity offerings and have no related affiliations with any of the investment I purchase.

My investment strategy is normally a long to short term time period. I do not day trade. Price points are identified both on a purchase and sell basis. These are adjusted as market conditions change. I mostly use limit trade orders and not market orders to specify the cost I want to buy or sell specific securities. These are monitor closely when this activity in occurring.

Account Management

As stated above there is always an independent third that is the holder of the client's assets. Fred Amrein never takes possession of the assets. This increases the client's visibility of account activity and reporting of holdings. By using this account structure, it reduces the client's risk of inappropriate activities due to the third party visibility.

Amrein Financial, in addition, has a separate portfolio system that is used to manage client's asset allocation, account balances, performance and other investment measurements. This system downloads investment information from the third party if available. It is then reconciled with the third party data. Reports are also generated from this system and are complementary to the independent third party reports depending on the account structure. These are normally monthly or quarterly. The client has an option to select paper or electronic.

Currently Amrein Financial uses TD Ameritrade as the custodian for their client's accounts. I will recommend clients use them due to our other system controls but it is not mandatory. The transactions fees will be determined by the custodian. The transaction fees are additional to my fees. There is a trading cost difference if the paper reporting is selected.

The client has full access to their accounts via the internet at any time. This is provided by the third party and is not hosted on the Amrein Financial website. Review of their account can be done via the phone or requested in person at any time.

I am also available to discuss life changing events at anytime and the impact it will have on their financial plan. Client can also call regarding changes in market conditions and my opinions on these changes.

Other Business Activities

As part of our college planning I will periodically discuss other aspect of the educational decision. This is not investment advice but helps clients understand the financial aspects of their education decision.

I do some consulting work for accounting firms, other financial planning firms and some small businesses. This work uses my technical, marketing and accounting background. None of this work is related to or conflicts with my investment decisions.