

**ITEM 1: COVER PAGE FOR  
PART 2B OF FORM ADV:  
BROCHURE SUPPLEMENT  
DATED AUGUST, 2011**

**GARY A. MELLING**

**PERSONAL BENEFIT SERVICES OF COLORADO, INC.  
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**This brochure supplement provides information about Gary A. Melling that supplements our brochure. You should have received a copy of that brochure. Please contact Ms. Evans if you did not receive Personal Benefit Services of Colorado, Inc's brochure or if you have any questions about the contents of this supplement.**

**Additional information about Mr. Melling is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **Item 2 Educational Background and Business Experience**

We are required to disclose the following information about Mr. Melling:

**Gary A. Melling CFP<sup>®</sup>, CFS, RFC**

Year of Birth: 1943

### **Formal Education after high school:**

Designation of Certified Financial Planner from the College for Financial Planning. B.S. degree in Secondary Education, Dickinson State College, Dickinson, ND. Master of Education degree from the University of Toledo, Toledo, OH.

### **Business Background:**

Gary was employed for five years with Educators Marketing Service Corporation. In March, 1983, he was one of the three founders of Personal Benefit Services Inc., and was elected Secretary-Treasurer of that organization. In July, 1988, he organized Personal Benefit Services of Colorado

### **Professional Licenses and Exams:**

Mr. Melling holds the FINRA Series 7, 24, 51, and 63 securities licenses and is a multi-line licensed insurance agent.

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

The CFP<sup>®</sup> certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP<sup>®</sup> 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.

To attain the right to use the CFP<sup>®</sup> 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<sup>®</sup> 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.

Mr. Melling has earned a CFS designation. CFS® is the oldest designation in the mutual fund industry. As a certified funds specialist, candidates learn criteria such as alpha, beta, correlation coefficient, first-auto correlation, R-squared, and standard deviation that should be incorporated in the selection process. The programs also benefit individuals in related job functions such as operations, marketing, sales support, distribution, customer service and back office support.

With mutual funds training, a Certified Fund Specialist® is able to evaluate and compare financial measurements and benchmarks when constructing a portfolio. Modern portfolio theory (MPT) is a key part of the program; its components are broken down and detailed in terms the advisor can easily understand and convey to a client. Armed with MPT and other selection criteria learned as part of the mutual fund education, a suitable and efficient portfolio using closed-end, exchange-traded, and open-end funds can be derived.

Mr. Melling also has a professional designation, Registered Financial Consultant. The Registered Financial Consultant (RFC®) designation is the undisputed professional credential for persons in the field of financial planning. The designation is awarded by the International Association of Registered Financial Consultants (IARFC) to those financial advisors who can meet the high standards of education, experience and integrity that are required of all its members.

The IARFC is a non-profit professional credentialing organization of proven financial professionals formed to foster public confidence in the financial planning profession, to help financial advisors exchange planning techniques, and to give deserved recognition to those practitioners who are truly committed to ethical standards and continuous professional education.

A Registered Financial Consultant has met the qualifications required to serve the public effectively, and moreover, is committed to essential professional continuing education.

## **Curriculum**

Candidates are required to complete a self-study process to attain the RFC designation. The preparation curriculum consists of ten volumes mirroring that of the CFP preparation, and covers the following six topics:

- Financial Planning Process
- Insurance Planning
- Retirement Planning
- Investment Planning
- Income Tax Planning
- Estate Planning

## **Examination Requirements**

- At the completion of the self-study process, candidates are required to take an untimed, 150-question multiple choice exam (takes approximately 3-5 hours)
- The exam may be taken at any time, anywhere, as convenient for the candidate
- A financial calculator is required in order to answer some of the time-value of money questions
- The candidate nominates a Proctor who agrees to administer the exam and mail it in upon completion for grading
- The Proctor may be a business associate, but not a member of the candidate's immediate family

## **Additional Requirements**

Candidates must meet the following education, experience and ethical requirements:

- Candidate either has attained a professional designation (i.e. CLU, ChFC, and CFP), or has earned a baccalaureate or graduate degree in financial planning with strong emphasis on subjects relating to economics, accounting, business, statistics, finance and similar studies; this granting institution must offer an IARFC-approved or CFP equivalent college curriculum and be an accredited college or university
- Met four years of experience, providing evidence of having met license requirements for securities plus life and health insurance, or submits RIA affiliation information
- Candidate must have a sound record of business integrity with no suspensions or revocation of any professional licenses
- Designees must subscribe to the IARFC Code of Ethics
- Designees must submit an annual renewal including \$100 in dues

## Continuing Education Requirements

Designees must agree to devote a minimum of 40 hours per year to continuing professional education in the field of personal finance and professional practice management.

## Item 3 Disciplinary Information

If there are legal or disciplinary events material to your evaluation of Mr. Melling, we are required to disclose all material facts regarding those events.<sup>1</sup>

We have nothing to disclose in this regard.

## Item 4 Other Business Activities

A. If Mr. Melling is actively engaged in any investment-related business or occupation, including if he 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, we are required to disclose this fact and describe the business relationship, if any, between the advisory business and the other business.

1. If a relationship between the advisory business and Mr. Melling's other financial industry activities creates a material conflict of interest with you, the SEC requires us to describe the nature of the conflict and generally how we address it.

We have nothing to disclose in this regard.

2. If Mr. Melling receives commissions, bonuses or other compensation based on the sale of securities or other investment products, including as a broker-dealer or registered representative, and including distribution or service ("trail") fees from the sale of mutual funds, we have to disclose this fact. If this compensation is not cash, we are required to explain what type of compensation Mr. Melling receives. We must explain that this practice gives Mr. Melling an incentive to recommend investment products based on the compensation received, rather than on your needs.

Mr. Melling is a registered representative of Royal Alliance, Inc., member FINRA/SIPC. He may offer securities and receive normal and customary commissions as a result of

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<sup>1</sup> **Note:** Our firm may, under certain circumstances, rebut the presumption that a disciplinary event is material. If an event is immaterial, we are not required to disclose it. When we review a legal or disciplinary event involving Mr. Melling to determine whether it is appropriate to rebut the presumption of materiality, we consider all of the following factors: (1) the proximity of Mr. Melling to the advisory function; (2) the nature of the infraction that led to the disciplinary event; (3) the severity of the disciplinary sanction; and (4) the time elapsed since the date of the disciplinary event. If we conclude that the materiality presumption has been overcome, we prepare and maintain a file memorandum of our determination in our records. We follow SEC rule 204-2(a)(14)(iii) and similar state rules.

securities transactions. This presents a conflict of interest to the extent that Mr. Melling recommends that a client invest in a security which results in a commission being paid to him.

A conflict of interest may arise as these commissionable securities sales may create an incentive to recommend products incentive to recommend products based on the compensation adviser and/or our supervised persons may earn and may not necessarily be in the best interests of the client.

- B. If Mr. Melling is actively engaged in any business or occupation for compensation not discussed in response to Item 4.A, above, and the other business activity or activities provide a substantial source of his income or involve a substantial amount of his time, we are required to disclose this fact and must describe the nature of that business. If the other business activities represent less than 10 percent of Mr. Melling's time and income, we may presume that they are not substantial.

Mr. Melling is licensed as an insurance agent with various insurance companies, and in such capacity, may recommend, on a fully disclosed basis, the purchase of insurance- related products. Mr. Melling currently devotes 30% of his time to securities and life insurance commission business.

Mr. Melling offers non-investment related financial planning and retirement seminars for Federal employees. He provides general financial advice which is not geared towards the individual needs of the attendees. Mr. Melling spends approximately 20% of his time in this outside business activity.

### **Item 5 Additional Compensation**

If someone who is not a *client* provides an economic benefit to Mr. Melling for providing advisory services, we are required to generally describe the arrangement. For purposes of this Item, economic benefits include sales awards and other prizes, but do not include his regular salary. Any bonus that is based, at least in part, on the number or amount of sales, *client* referrals, or new accounts should be considered an economic benefit, but other regular bonuses should not.

We have nothing to disclose in this regard.

### **Item 6 Supervision**

We are required to explain how we *supervise* Mr. Melling, including how we monitor the advice he provides to *you*. *Our firm has to provide the name, title and telephone number of the person responsible for supervising Mr. Melling's advisory activities on behalf of our firm.*

Ms. Evans, Chief Compliance Officer of Personal Benefit Services of CO, Inc supervises Mr. Melling's activities to ensure compliance with our firm's code of ethics. Please contact Ms. Evans if you have any questions about Mr. Melling's brochure supplement at (303)991-6400.

**Item 7 Requirements for State-Registered Advisers**

We are SEC Registered, so this Item does not apply.