

Form ADV Part 2A Disclosure Brochure

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This brochure provides information about the qualifications and business practices of Spectrum Financial Resources. If you have any questions about the contents of this brochure please call us at (284) 643-0033 or email us at dthoban@unitedplanners.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 Spectrum Financial Resources is available on the SEC's website at www.adviserinfo.sec.gov.

Registration as an investment adviser does not imply a certain level of skill or training.

Item 2. Material Changes

This Form ADV Part 2A Disclosure Brochure has been created to comply with new requirements adopted by the SEC on July 28, 2010. This document is substantially different in format than our previous disclosure brochure and includes certain information that we were not previously required to disclose. Therefore, you should read it carefully and contact us if you have any questions regarding its content.

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Item 4. Advisory Business

Overview of Spectrum Financial Resources

Spectrum Financial Resource LLC ("SFR" or "firm") offers personalized investment advisory services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities. The firm's services and fee arrangements are described in the following pages. SFR has been in the investment advisory business since 1987.

SFR is owned by Daniel T. Hoban and Jean Ann Schneider, who are both principals and Managing Members of SFR.

SFR provide its investment advisory services through Investment Adviser Representatives (IARs). SFR's IARs are individuals associated with SFR who are appropriately licensed, qualified and authorized to provide advisory services on SFR's behalf.

SFR's IARs may also be registered representatives of United Planners' Financial Services of America (United Planners), a full service securities broker/dealer registered under federal and state securities laws, whose main office is located in Scottsdale, Arizona. United Planners is a member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investors Protection Corporation ("SIPC"). Securities transactions for United Planners brokerage clients are executed through Pershing, LLC, (based in Jersey City, New Jersey), an unaffiliated securities broker/dealer or, in some cases, directly with the product sponsor.

SFR, through its IAR's provides the following services to the firm's advisory clients:

Financial Planning Services

Financial planning advice will typically involve providing a variety of services, principally advisory in nature, to the client regarding the management of their financial resources based upon an analysis of their individual needs. An IAR of the firm will first conduct a complimentary initial consultation lasting approximately one hour. After the initial consultation, if the client decides to engage SFR for financial planning services, the IAR will conduct a follow-up meeting during which pertinent information about the client's financial circumstances and objectives is collected. After this information is reviewed and analyzed, a written financial plan designed to achieve the clients' stated financial goals and objectives will be produced and presented to the client. The primary objective of this process is to allow SFR to assist the client in developing a strategy for the successful management of income, assets and liabilities in meeting the client's financial goals and objectives.

Financial plans are based on the client's financial situation at the time the plan is presented and is based on financial information disclosed by the client to SFR. Clients are advised that certain assumptions may be made with respect to interest and inflation rates and use of past trends and performance of the market and economy. Clients should keep in mind that past performance is in no way an indication of future performance and that SFR cannot offer any guarantees or promises that the client's financial goals and objectives will be met. As the client's financial situation, goals, objectives, or needs change, the client must notify SFR promptly.

Advisory Consulting Services

SFR offers consulting services, where an IAR of SFR provides a professional opinion on specific financial related areas. These areas may include, but are not limited to, retirement planning, risk assessment/management, education funding, investment planning, and/or financial decision-making.

The client acknowledges, in advance, that they only desire consultation in regard to the specific financial area agreed upon to be reviewed and/or analyzed. Under this arrangement, a written financial plan will not be provided to the client.

Portfolio Management Services

SFR provides discretionary and non-discretionary portfolio management services, as selected by the client. The investment advice provided is custom tailored to meet the needs and investment objectives of

the client. While Portfolios constructed by SFR generally consist of shares of mutual funds and exchange traded funds, SFR may additionally utilize equity securities, corporate debt securities, municipal securities, and/or U.S. government securities, among others, if SFR determines such investments to be in the best interest of its clients. Once the portfolio is constructed, SFR provides either continuous or periodic supervision or re-optimization of the portfolio as changes in market conditions and client circumstances may require. As of December 31, 2010, SFR managed \$27.4 million in discretionary accounts and \$13.7 in non-discretionary accounts.

Seminars

From time-to-time, SFR may conduct workshop seminars. The topic of the seminar will be agreed upon with the sponsor of the seminar and will be general in nature and not include individualized advice or recommendations based on the needs of any person.

Item 5. Fees and Compensation

Financial Planning Services Fees

SFR charges an hourly fee of \$75 for financial planning services. When the scope of the financial planning services has been agreed upon, SFR will determine the applicable fixed fee based on the estimated amount of time it will take to provide the financial planning services. This fixed fee, which is subject to negotiation, is directly dependent upon the client's financial situation, the complexity of the requested service, and the time involved in providing the client with the requested service. If the client chooses to proceed, 100% of the agreed upon fixed fee is due and payable upon completion of the contracted services.

SFR or the client may terminate the financial planning agreement within five days of the date of acceptance without penalty to the client. After the five-day period, either party may terminate the financial planning agreement by providing written notice to the other party. However, the client will incur a charge based on time spent on the financial plan prior to such termination. Refunds are not applicable as fees are payable in arrears.

Advisory Consulting Services Fees

SFR's consulting services are provided at the firm's hourly rate of \$75. The consulting fee is payable at the conclusion of each session.

The client acknowledges, in advance, that they only desire consultation in regard to the specific financial area agreed upon to be reviewed and/or analyzed. Under this arrangement, a written financial plan will not be provided to the client. Furthermore, client agrees to hold SFR harmless from any liability arising out of any area(s) that SFR has not reviewed and/or analyzed.

Implementation of Financial Planning or Advisory Consulting Recommendations

Financial planning services are prepared with the client given the option of implementing recommendations made within the plan through Spectrum or Spectrum's IARs. However, clients are not obligated to do so. If clients elect to have an IAR of Spectrum implement the advice provided as part of the financial planning services, implementation will be made through the client's IAR in the IAR's capacity as a registered representative of United Planners Financial Services of America (United Planners) or as an independent insurance agent. When clients implement recommended transactions through the IAR in one of these separate capacities, the IAR will receive additional compensation in the form of commissions. This receipt of additional compensation from the implementation of investment advisory recommendations can conflict with the fiduciary duties owed to clients by an investment advisor. Investment advisory clients are under no obligation to purchase from their Spectrum IAR any commissionable securities or insurance products that he or she recommends and may purchase such products from the broker-dealer or insurance company or agent of their choice. When clients purchase commissionable securities or insurance products from a Spectrum IAR, Spectrum may waive or reduce the amount of the financial planning fee as a result of the additional fees and/or commissions being earned. Any adjustment to the financial planning fee is at the discretion of Spectrum and will be disclosed to the client prior to implementing transactions.

Commissions may be higher or lower at United Planners than at other broker/dealers. United Planners registered representatives are restricted to only offering those products and services that have been reviewed and approved for offering to the public by United Planners and for which United Planners has obtained a selling agreement.

While Spectrum has procedures in place that endeavors to at all time to put the interest of the clients first as a part of the Spectrum's fiduciary duty, clients should be aware that the receipt of commissions and additional compensation itself creates a conflict of interest, and may affect the judgment of these individuals when making recommendations.

Portfolio Management Services Fees

The annual fee for portfolio management services is billed quarterly in arrears based on the market value of the assets on the last day of the quarter. The client's initial fee will be assessed based on the actual portion of the initial quarter that the client's portfolio was under management. In subsequent quarters, SFR's fees for portfolio management services are based on the following tiered fee schedule:

Portfolio Size	Maximum Annual Fee
\$0 - \$200,000	2.00%
\$200,001 - \$500,000	1.50%
\$500,001 - \$5,000,000	1.00%
\$5,000,001 or greater	Negotiable

SFR requests that clients authorize SFR to bill portfolio management fees to the client's account.

State of Michigan Requirements on the Withdrawal of Fees from Client Accounts

Payment of fees charged by SFR for its portfolio management services will be made by the custodian holding the clients' funds and securities. SFR adheres to the following requirements of the State of Michigan's Release No. 93-3-BD:

- The client authorization to SFR to withdraw funds from the client's account is limited to withdrawing contractually agreed upon investment adviser fees.
- SFR will notify the client, in writing by at least first class mail not less than seven (7) days prior to the proposed date of withdrawal, of the exact amount of the proposed withdrawal and the specific manner or basis on which the fee has been calculated. The notice shall advise the client of the opportunity to object to the invoiced amount and the manner in which the objection shall be made.
- The frequency of the fee withdrawal is specified in the written authorization or agreement.
- The custodian of the account will be advised in writing of the limitation on the adviser's access to the account. To satisfy this requirement, SFR will furnish to the custodian a copy of the authorization or agreement.
- The custodian will provide the client, not less than quarterly, a statement indicating all amounts disbursed from the account including, separately, the amount of the advisory fee paid. This may be contained in the custodian's regular periodic report to the client.
- The client can terminate the written billing authorization or agreement at any time.

Portfolio Management Agreement Termination

SFR or the client may terminate the management agreement within five days of its signing without penalty to the client. After the five-day period, either party, upon five days written notice to the other, may terminate the portfolio management agreement. The management fee will be pro-rated for the quarter in which the cancellation notice was given and any fees will be due and payable by the client. Refunds are not applicable as fees are payable in arrears.

Negotiability of Fees

In certain circumstances, all fees may be negotiable. In addition, certain affiliated persons of Advisor and family members and personal acquaintances of Advisor's associated persons may receive advisory services at a discounted rate which is not available to advisory clients generally.

Seminar Fees

Although SFR conducts many of its seminars at no charge, SFR reserves the right to charge an administration fee to cover the expenses associated with the workshop. This fee is dependent on the cost of materials and other expenses involved and will be determined on a case-by-case basis. The payment of fees for seminars is due and payable upon completion of the workshop. If, for any reason, the sponsor of the seminar would like to cancel the engagement, five days prior written notice must be given to SFR. Any costs incurred by SFR prior to the cancellation will be billed to the sponsor and are due and payable upon receipt.

Additional Fees and Expenses

Mutual Fund and Other Internal Investment Charges

When recommending mutual funds in its portfolio management service, SFR generally recommends only no-load or load-waived mutual funds. However, all mutual funds, exchange traded funds and other investment company securities (Funds) incur certain types of charges and expenses, which are paid from the value of the Funds' shares. These charges and expenses include investment management, transaction, administrative, distribution, transfer agent, custodial, legal, audit and other customary fees. If a client's account holds any such Fund shares, the client will be indirectly paying these expenses, which are in addition to the client's portfolio management fee. Clients are encouraged to read the prospectuses of any Funds which are purchased in their account for a more complete explanation of these fees and expenses.

Some mutual funds pay SEC Rule 12b-1 fees to broker-dealers for providing record keeping, shareholder communication and other services on behalf of the mutual fund. For client accounts held at United Planners and Pershing (unless the account is a qualified account under ERISA), United Planners will receive any 12b-1 fees that are paid by mutual funds purchased in the account. In turn, United Planners pays any 12b-1 fees it receives to the client's SFR IAR in the SFR IAR's capacity as a broker-dealer Registered Representative (RR) of United Planners. The receipt by the SFR IAR of this additional financial compensation for recommending mutual funds that pay 12b-1 fees over those that do not is a conflict of interests between the SFR IAR and the client and could cause the SFR IAR to recommend an investment based on the compensation received rather than on the client's needs. The SFR IAR is required to inform clients whenever recommended mutual funds pay 12b-1 fees that the SFR IAR will receive. Clients may determine the amount and type of all fund expenses, including 12b-1 fees, by reviewing the fund's prospectus.

With certain exceptions, clients can purchase shares of Funds outside of their portfolio management account without paying for and receiving the benefit of the portfolio management services. Certain Funds are offered generally to the public without a sales charge and, for those Funds that are offered with a sales charge, the sales charge described in the Fund's Prospectus may be more or less than the portfolio management fee.

Clients should also be aware that the portfolio management fee described above will be imposed on all Fund shares that the client designates as portfolio management assets and place in their portfolio management account, including Fund shares on which they may have previously paid a sales charge. Clients may also be charged redemption fees from mutual funds that were redeemed in order to participate in the portfolio management service. Clients should be aware that any redemptions and exchanges between Funds in their portfolio management account might have tax consequences, which they should discuss with their independent tax advisor.

Brokerage and Custodial Charges

In addition to SFR's Portfolio management fee, clients will also pay any custodial or ancillary costs associated with your account. However, SFR or its IARs typically pays for all transactions costs for portfolio management clients whose accounts are held at Pershing. This creates a potential conflict of interest in that, in order to keep transactions costs to a minimum, SFR has an incentive to recommend trading in client accounts less frequently than if the clients had paid the transaction costs. SFR and its

IARs make every effort to make recommendations and trades based on the needs of the client, without regard for the costs and expenses associated with the trades.

For more information about SFR's brokerage recommendations and arrangements, please refer to Item 12 of this brochure.

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

SFR does not charge fees based on a share of capital gains up or capital appreciation of the assets in a client's account.

Item 7. Types of Clients

SFR offers its investment advisory services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities.

SFR generally requires a minimum account size of \$25,000 to open and maintain an account. This account minimum may be reduced or waived in the sole discretion of SFR.

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

Methods of Analysis

SFR uses a combination of the following methods of analysis when analyzing securities for clients: charting, fundamental analysis, technical analysis, and cyclical analysis. SFR uses some or all of the following sources of information in the analysis of securities: financial newspapers and magazines; research materials prepared by others available through the internet or otherwise; corporate rating services; annual reports, prospectuses, and other filings with the Securities and Exchange Commission; and company press releases.

Investment Strategies

While SFR primarily uses long-term purchases, SFR may occasionally determine that it is in the client's best interest to buy or sell securities on a short-term or other basis in order to capture profits or protect against loss. In the management of client accounts, SFR may use any combination of the following investment strategies when implementing advice given to clients: long-term purchases, short-term purchases (securities sold within a year), trading (securities sold within 30 days) and short sales. SFR may also use, when it deems appropriate, margin transactions and option writing.

Risk of Loss

All investments and investment programs have certain risks that are associated with them and which the investor must bear. Following are the types of risk that may arise to clients due to the types of securities that are recommended to or purchased for clients or the investment strategies used:

Business Risk – the risk that the price of an investment will change due to factors unique to that company, investment or market segment and not the market in general.

Liquidity Risk – the risk associated with the ease of being able to quickly convert the value of a security into an equivalent amount of cash. For example, money market funds are readily convertible (liquid) while certain limited partnership units or real estate are not.

Financial Risk – the risk to specific companies' future earnings due to their use of debt. Companies that borrow money must pay it back at some future date, plus the interest charges. This increases the uncertainty about the company because it must have enough income to pay back this amount at some time in the future.

Exchange Rate (Currency) Risk – the risk that investors in foreign investments may be subject to different exchange rates at the time they wish to convert investment proceeds back to their home currency. If exchange rate risk is high, even though substantial profits may have been made in the foreign markets, a less favorable exchange rate may reduce or eliminate these profits.

Country (Political) Risk – the risk that a major change in the political or economic environment of a foreign country may devalue investments made in that country. This risk is usually restricted to emerging or developing countries that do not have stable economic or political environments.

Market Risk – the risk that the price of a particular investment will change as a result of overall market conditions that are not specific to that particular company or investment.

Interest Rate Risk – the risk that interest rate changes will affect the price of a particular investment. For example, when interest rates rise, the price of bonds generally fall.

Item 9. Disciplinary Information

SFR and its principals and management personnel have not been involved in any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of management.

Item 10. Other Financial Industry Activities and Affiliations

United Planners

Daniel T. Hoban is an RR with United Planners, a broker-dealer and member of FINRA. In this capacity, Mr. Hoban may offer clients certain securities products provided by United Planners. See Item 5 above for more information about this affiliation, including conflicts of interest.

United Planners is a Limited Partnership in which Daniel T. Hoban is also a limited partner. Limited partners receive a percentage of United Planners' net profit on an annual basis. This presents a potential conflict between the interests of Mr. Hoban and the client because limited partners may recommend products or services that produce more revenue for the firm and thus increase their annual profit distribution.

Tax Preparation Services

Daniel T. Hoban provides tax preparation services to clients for a fee. This fee is separate and distinct from any fee charged by SFR for advisory services. SFR also expects that investment advisory clients may be clients for whom Mr. Hoban will provide tax preparation services. Clients of SFR are under no obligation to use these services. Mr. Hoban's involvement in tax preparation services represents less than 5% of his total time.

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

Code of Ethics

SFR has adopted a Code of Ethics (Code) that sets forth standards of business conduct, including compliance with applicable state and federal securities laws, that it requires of its officers, management and employees ("associated persons"). The Code is based on the principle that SFR and its associated persons have an overarching fiduciary duty to, at all times, place the interests of its clients first. The Code establishes that no person employed by SFR shall prefer their own or SFR's interests over those of advisory clients and, among other things, prohibits the use of material non-public information. A copy of the firm's Code is available upon written request.

Participation or Interest in Client Transactions

SFR or individuals associated with SFR may, for their own accounts, buy or sell securities identical to or different than those that may be recommended to clients. As these situations may, in certain circumstances, present a conflict of interest, SFR has adopted policies setting forth ethical standards of business conduct that it requires of its employees, including compliance with applicable state and federal securities laws. These policies stress that no person employed by SFR shall prefer his/her own interests to those of advisory clients and prohibit the use of material non-public information.

Item 12. Brokerage Practices

Recommendation of United Planners and Pershing for Portfolio Management Services

SFR requires that a client in need of brokerage and custodial services direct it to utilize United Planners and Pershing, the clearing firm for United Planners. As disclosed above, IARs of SFR are also Registered Representatives (RRs) of United Planners, a broker/dealer and FINRA member firm.

As a FINRA member, United Planners has obligations to maintain records and perform other functions regarding certain aspects of the investment advisory activities of its RRs, including Daniel T. Hoban, in relation to investment advisory accounts for which the RR executes or directs securities transactions. These obligations required United Planners' to coordinate with, and have the cooperation of, the account custodian.

In order to fulfill these obligations, United Planners' has established a list of custodian and brokerage firms with which it has made the necessary arrangements and which therefore may be utilized by its RRs for custody of accounts. Pershing LLC is on United Planners' list of approved brokerage/custodial firms. In certain instances, United Planners' will collect, as paying agent for SFR, SFR's investment advisory fee remitted by the account custodian and retain a portion of this fee as a charge to the SFR (not the client) for the functions United Planners' is required to carry out by FINRA. This fee will not increase execution or brokerage charges to the client or the fee the client has agreed to pay SFR in the client's advisory agreement.

Clients should be aware of the following important facts regarding SFR's exclusive use of United Planners/Pershing:

- This limitation on the use of broker-dealers may affect SFR's ability to achieve most favorable execution of client transactions, and therefore may cost clients more money; and
- Not all investment advisers require clients to use specified broker-dealers.

Please see Mutual Fund and Other Internal Investment Charges in Item 5 above for information about IAR participation in mutual fund 12b-1 service fees paid through Pershing and United Planners.

When SFR is placing transactions for your account at about the same time as for other client accounts, it may aggregate your transaction with the transactions for other clients. This provides each client with average pricing for the transaction, so that no client is disadvantaged by when their account is traded versus when another client's account is traded. If an aggregated order is only partially filled, SFR has procedures in place to ensure that no client is systematically disadvantaged through the allocation process. In instances when SFR is placing multiple client trades in the same security at approximately the same time, SFR has procedures in place to ensure that no single client is systematically disadvantaged by when their transaction is placed versus trades of other clients. Even so, because each transaction is placed separately, not all clients will pay or receive the same price for the security and the price a particular client pays or receives may be higher or lower than that of other clients.

While SFR does not have a formal soft dollar arrangement with any broker-dealer, it does receive certain benefits from its relationship with United Planners/Pershing. These benefits are not contingent on the number of accounts, number of transactions or amount of revenue to the broker-dealer. United Planners and/or Pershing provide brokerage, custodial, administrative support, record keeping and related services that support our firm in its business and in serving the best interests of our clients. Additional services that benefit the firm, but may not directly benefit client accounts include software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution, provide research, pricing information and other market data, facilitate payment of our fees from client accounts, and assist with back-office functions, recordkeeping and reporting.

Clients are advised there is an incentive for SFR and its IARs to recommend a broker/dealer over another based on the products and services that will be received rather than the client's best interest.

Due to the nature of its advisory services, SFR does not have the authority or ability to negotiate commissions or obtain volume discounts.

Recommendation of United Planners for Implementation of Financial Planning Recommendations

Because Dan Hoban and SFR's IARs are registered representatives with United Planners, if a client freely chooses to implement financial planning recommendations through them in their capacity as a registered representative, then United Planners will be the broker-dealer that is used.

United Planners has a wide range of approved securities products for which United Planners performs due diligence prior to selection. United Planners' registered representatives are required to select from these products when recommending securities transactions through United Planners. Commissions charged for these products may be higher or lower than commissions clients may be able to obtain if transactions were implemented through another broker/dealer. In addition, certain back-office, operational, technology and other administrative support that United Planners provides SFR's IARs also benefit SFR.

Additionally, sponsors of products such as variable annuities, mutual funds and limited partnerships that are recommended to clients may provide support to SFR. Such support includes research, educational information, and monetary support for due diligence trips and client events.

Item 13. Review of Accounts

Client accounts will be reviewed at least quarterly by the financial advisor who oversees the account. Additional reviews may be triggered by, among other things, changes in economic factors, changes in the client's financial situation, and the client's request.

SFR, through its financial advisors, will present to clients performance reports and asset allocation reports at least annually. Additionally, the client's custodian(s) will provide account statements on at least a quarterly basis. Clients should review these account statements carefully for accuracy.

Item 14. Client Referrals and Other Compensation

Client Referrals

SFR does not have any arrangements where it directly or indirectly compensates other persons for referring clients to SFR.

Other Compensation

SFR IARs in their individual capacities as registered representatives or insurance agents may, from time to time, receive incentive awards for the sale of securities and insurance products. The receipt of these awards may affect their judgment in recommending securities and insurance products to clients.

Item 15. Custody

Except for the direct billing of account fees (as authorize by the client in writing), SFR does not have any arrangements by which it accepts or undertakes custody of client funds or securities. Client funds and securities are always held with a qualified custodian, such as Pershing LLC, who provides clients with an account statement at least each calendar quarter. The account statement, which clients should review carefully, shows the amount of SFR's management fees that are deducted from the client's account during the period covered by the statement.

Item 16. Investment Discretion

SFR may manage client accounts on a discretionary basis, whereby the client authorizes SFR in writing to place trades in their account without obtaining specific consent from the client prior to the transactions. This discretionary authorization is limited to the placing of transactions in the clients account.

Item 17. Voting Client Securities

Proxy Voting

SFR does not vote proxies for client-owned securities and will not take any action or provide any advice with respect to voting of proxies solicited by or with respect to the issuers of client-owned securities. SFR may, on rare occasions and only at the client's request, offer clients advice regarding corporate actions and the exercise of proxy voting rights.

Item 18. Financial Information

SFR does not require or solicit the prepayment of any fees more than six months in advance of services rendered. Additionally, SFR does not have any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients.