



Form ADV Part 2A

WealthCare Alliance, Inc.

2629 Townsgate Road, Suite 245

Westlake Village, CA 91361

(805) 446-4600

www.WealthCareAlliance.com

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This brochure provides information about the qualifications and business practices of WealthCare Alliance, Inc. If you have any questions about the contents of this brochure, please contact us at (805)446-4600 or Jim@WealthCareAlliance.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 WealthCare Alliance, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov.

2. Material Changes

Since our last annual amendment, dated January, 2010, we have made the following material changes to our Part 2A:

- 1) Added disclosure language regarding new advisory product offerings:
 - VISION2020 Wealth Management Platform – Advisor Managed Portfolios
 - VISION2020 Wealth Management Platform – Model Portfolios
 - VISION2020 Wealth Management Platform – SMA and UMA
- 2) Added disclosure regarding trade confirmation fees.
- 3) Aside from the changes referenced above, changes were made to conform to the new disclosure requirements required under the new Part 2 of Form ADV.
- 4) Future Material changes to the ADV Brochure will be provided as a separate document to clients who have received previous versions of brochure.

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4. Advisory Business

Advisor Firm

WealthCare Alliance, Inc. is an **SEC Registered Investment Advisor***. WealthCare Alliance, Inc. offers **financial planning and/or investment advisory** services to its Clients. James L. Losey Jr., James L. Losey Sr. are the founders and owners and have been in the financial services industry since 1983. Such services are offered through its Investment Advisory Representatives ("Advisory Representatives" or "IARs"). Separate and apart from their registration as Advisory Representatives of WealthCare Alliance, Inc., the Advisory Representatives are also Registered Representatives of Royal Alliance Associates, Inc., ("Royal Alliance"), a SEC registered broker/dealer and investment advisor. Royal Alliance is also a member of the Financial Industry Regulatory Authority, Inc. ("FINRA") and various other regulatory bodies. Royal Alliance does not provide any investment advisory services in conjunction with or as part of the **financial planning and/or investment advisory** services provided by WealthCare Alliance, Inc..

We have been an SEC registered Investment Adviser since 2009 (Before that WealthCare Alliance was registered with the State of California since 2004, and as The Losey Group since 2000). WealthCare Alliance manages, as of 12/31/10 \$24,700,000 of assets on a discretionary basis and \$74,700,000 on a non-discretionary basis.

*Registration as an Investment Advisor (RIA, Registered Investment Advisor) does not imply a certain level of skill or training.

Advisory Services

Portfolio Monitoring and Performance Appraisal

WealthCare Alliance, Inc. will emphasize personal Client contact and interaction rather than continuous and regular account supervision. The Advisory Representatives will work with Clients to identify their investment goals and objectives as well as risk tolerance in order to create an initial portfolio allocation designed to complement their Clients' educational, home ownership and retirement funding goals and objectives etc.

The Advisory Representatives will create a portfolio, consisting of individual stocks or bonds; no-load funds, (funds with no front-end or deferred sales charges and whose total charges against net assets for sales related expenses and or services do not exceed .25%); load-waived funds (front-end commissions will not be charged); and, front-load fee offset (advisory fees will be offset against commissions earned) mutual funds purchased prior to engaging WealthCare Alliance, Inc.'s services.

Such portfolios may be held in brokerage accounts, wrap fee accounts and with third party managers. Such portfolios may also consist of variable life and/or variable annuity sub-accounts, which WealthCare Alliance, Inc.'s Representatives may have already sold to their Clients on a full commission basis, in their capacity as registered Representatives of Royal Alliance. Investment strategy will focus primarily on a buy and hold approach as opposed to short-term trading.

Each portfolio will be initially designed to meet a particular investment goal, which WealthCare Alliance, Inc. has determined to be suitable to the Client's circumstances. Once the appropriate portfolio has been determined, the advisory representatives of **WealthCare Alliance, Inc.** will review the portfolio quarterly, semi-annually, or annually, depending on the client's needs, and if necessary, rebalance such portfolio, based upon the Client's individual needs and stated goals and objectives. However, each Client will have the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio.

WealthCare Alliance, Inc.'s strategy, generally, will be to seek long-term portfolio growth while providing Clients with access to the personal advisory services of its Advisory Representatives on at least an annual basis, or more often, depending upon prior agreement between each Advisory Representative and Client.

AND/OR

Consulting/Investment Advice

WealthCare Alliance, Inc. also provides specific consultation and administrative services regarding direct investments, loans to businesses and other financial concerns of the client. Additionally, WealthCare Alliance, Inc. provides advice on non-securities matters. Generally, this is in connection with the rendering of estate planning, insurance, and/or annuity advice.

For California residents: Pursuant to California Rule 260.235.2, a conflict exists between the interests of this registrant or its associated persons and the interest of the client, the client is under no obligation to act upon this registrant's or associated person's recommendations; if the client elects to act on any of the recommendations, the client is under no obligation to effect the transaction through the registrant, or associated person when the person is an agent with a licensed broker-dealer or through any associated affiliate of such person.

Financial Plan or Consulting recommendations are not limited to any specific product or service offered by a broker dealer or insurance company. All recommendations are of a generic nature.

VISION2020 ADVISOR PROGRAM

We offer the VISION2020 Advisor Program ("V2A") which provides comprehensive investment management of your assets through the application of asset allocation planning software as well as the provision of execution, clearing and custodial services through Pershing.

V2A provides risk tolerance assessment, efficient frontier plotting, fund profiling and performance data, and portfolio optimization and re-balancing tools. Utilizing these tools, and based on your responses to a risk tolerance questionnaire ("Questionnaire") and/or discussions that we have together regarding among other things, investment objective, risk tolerance, investment time horizon, account restrictions, and overall financial situation, we construct a portfolio of investments for you. This portfolio may consist of mutual funds, exchange traded funds, equities, options, debt securities, variable life, and/or variable annuity sub-accounts (certain restrictions may apply) or other investments.

Each portfolio is designed to meet your individual needs, stated goals and objectives. Additionally, you have the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio.

For further V2A details, please see the V2A Wrap Fee Program Brochure. We provide this brochure to you prior to or concurrent with your enrollment in V2A. Please read it thoroughly before investing.

VISION2020 WEALTH MANAGEMENT PLATFORM – MODEL PORTFOLIOS PROGRAM

The Wealth Management Platform - Model Portfolios Program ("Model Program") offers Clients managed asset allocation models ("Asset Allocation Models") of mutual funds or exchange traded funds ("ETFs") diversified across various investment styles and strategies. The Asset Allocation Models are constructed by managers ("Program Managers") such as Russell Investment Management Company, ICON Advisers, Inc. and Morningstar Associates, LLC.

Based upon the risk tolerance of each Client, the Model Program utilizes a system that selects a specific Asset Allocation Model which may contain either 1) a combination of mutual funds or 2) a combination of exchange traded funds ("ETFs") depending on which Program Manager is used. Together, we will select a recommended Asset Allocation Model. After the Asset Allocation Model is chosen, we, with the assistance of the Model Program sponsor, will open a Model Program account. Your assets will be invested in the specific investments contained within the recommended Asset Allocation Model. You have the opportunity to place reasonable restrictions on investments held within the Model Program account.

For further Model Program details, including a full list of Program Managers, please see the Model Program Wrap Fee Program Brochure. We provide this brochure to you prior to or concurrent with your enrollment in the Model Program. Please read it thoroughly before investing.

VISION2020 WEALTH MANAGEMENT PLATFORM – SMA AND UMA PROGRAM

The Wealth Management Platform – SMA and UMA Account Program ("Wealth Managed Account Program" or "WMA") provides you with the opportunity to invest your assets across multiple investment strategies and asset

classes by implementing an asset allocation strategy. WMAP is a Wrap Account program that offers these advisory services along with brokerage and custodial services for a single, annual, asset-based advisory fee.

We will present you with a WMAP asset allocation model ("WMAP Model") for your approval which will consist of: 1) third party money managers ("WMAP Managers") who will manage your WMAP account according to a particular equity or fixed income model or strategy, or 2) no-load mutual funds ("Funds"), or 3) exchange traded funds ("ETFs") or any combination thereof (individually or collectively, "WMAP Investments"). WMAP Investments will be managed according to the selected WMAP Model. WMAP Investments are held within a separately managed account or a series of separately managed accounts (collectively, "SMA Account") or in one, unified managed account ("UMA Account").

We will suggest a WMAP Model to you based on your responses to a risk tolerance questionnaire ("Questionnaire") and discussion that we have together regarding among other things, investment objective, risk tolerance, investment time horizon, account restrictions, and overall financial situation. In addition, you have the opportunity to place reasonable restrictions on investments held within your WMAP account.

For further WMAP details, please see the WMAP Wrap Fee Program Brochure. We provide this brochure to you prior to or concurrent with your enrollment in WMAP. Please read it thoroughly before investing.

MANAGED ASSETS PROGRAM

The Managed Assets Program ("MAP Program") is an investment management program that provides you with access to multiple managers who provide investment advice to you on portfolios consisting of individual stocks, bonds, exchange traded and mutual funds.

You can choose a variety of investment managers across asset classes and investment styles for a complete asset allocation strategy or seek an investment manager for a single asset class. More specifically, you will generally choose from the following three options:

- The Single Asset Category Proposal allows you to select investments in a single asset class either by asset class (e.g. US Large Cap Equity) or by investment style (e.g. US Large Cap Growth Equity).
- The Asset Allocation Proposal which allows you to allocate your investments across multiple asset classes and investment styles using multiple brokerage accounts.
- The Diversified Multi-Strategy Portfolio Proposal which allows you to allocate your investments across multiple asset classes and investment styles using a single brokerage account.

In addition, you have the opportunity to place reasonable restrictions on investments held within your MAP Program account.

For further MAP Program details, please see the MAP Program Wrap Fee Brochure. We provide this brochure to you prior to or concurrent with your enrollment in WMAP. Please read it thoroughly before investing.

THIRD PARTY ADVISORY SERVICES

We offer our clients the services of various third party investment advisors ("Third-Party Advisory Services") for the provision of certain investment advisory programs including mutual fund wrap and separately managed account programs.

If you are interested in learning more about any of these services, please note that a complete description of the programs, services, fees and payment structure, and termination features is available via the applicable Third Party Advisory Service's disclosure brochures, investment advisory contracts, and account opening documents.

In connection with these arrangements, we will provide assistance in the selection and ongoing monitoring of a particular Third-Party Advisory Service. Factors that we consider in the selection of a particular third-party advisor may include but may not be limited to: i) our assessment of a particular Third-Party Advisory Service; ii) your risk tolerance, goals, objectives and restrictions, as well as investment experience; and, iii) the assets you have available for investment.

You should know that the services provided by us through the use of Third-Party Advisory Services are under certain conditions directly offered by them to you. The fees charged by Third-Party Advisory Services who offer their programs directly to you may be more or less than the combined fees charged by the Third Party Advisory Service and us

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for our participation in the investment programs. However, when using the services of Third-Party Advisory Services directly, you do not receive our expertise in developing an investment strategy, selecting a Third-Party Advisory Service, monitoring the performance of your account and changing a Third-Party Advisory Service provider when appropriate.

RETIREMENT PLAN CONSULTING SERVICES

We offer retirement consulting services to employee benefit plans and their fiduciaries. The services are designed to assist the plan sponsor (the "Company") in meeting their management and fiduciary obligations to the plan under ERISA. Retirement consulting services will consist of general or specific advice, and may include any one or all of the following:

1. Strategic Planning and Investment Policy Development/Review.
2. Plan Review.
3. Plan Fee and Cost Review.
4. Acting As Third Party Service Provider Liaison.
5. Assessment of Plan Investments and Investment Options.
6. Plan Participant Education and Communication.

The Company may also engage us to provide the following additional services, for separate compensation:

1. Review of Executive Benefits.
2. Assist With Plan Conversion.
3. Merger and Acquisition Assistance.
4. Assist With Corrective Actions to Comply With Applicable Regulations.
5. Coordination with Other Advisers.

We will determine with the Company in advance the scope of services to be performed and the fees for all requested services. Prior to engaging us to provide pension consulting services, the Company will be required to enter into a written agreement with us setting forth the terms and conditions of the engagement, describing the scope of the services to be provided, and the relevant fees and fee paying arrangements. The services outlined above that we provide are explained in more detail in the written agreement.

When we perform our agreed upon services, we will not be required to verify the accuracy or consistency of any information received from the Company.

We will serve in a fiduciary capacity with respect to some of the services that we provide which will be further explained in the written agreement we sign with the Company. The Company is always free to seek independent advice about the appropriateness of any recommendations made by us.

Asset Allocation Services For External Pension, Profit Sharing, 401(k) and 403(b) Assets

As part of a financial planning analysis and engagement, or as a stand-alone service, WealthCare Alliance, Inc. and its Advisory Representatives will assist the Client in determining their investment goals and objectives, risk tolerance and retirement plan time horizons. WealthCare Alliance, Inc. will then recommend an initial asset allocation. However, because such assets are custodied outside of the control of Royal Alliance and the Advisor, the Client will be responsible for accepting and implementing the Advisor's recommendations. Further, the Advisor will neither provide *Continuous Supervisory* or *Portfolio Monitoring* services for such accounts nor will it receive ongoing, asset-based compensation. However, the Client will be able to engage the Advisor's Advisory Representatives to conduct a review of such accounts on a periodic or annual basis for an hourly or fixed-fee.

RASA 044 ACCOUNTS

We offer RASA 044 Accounts ("RASA") as a non-commissionable advisory account where we can purchase load waived and no-load mutual funds and other equity, debt and option securities for you. Our Advisory Representative will obtain the relevant financial data from you and assist you in the selection of suitable investments. We will base our investment strategy on your specific goals and situation. In addition, you have the opportunity to place reasonable restrictions on investments held within your RASA account.

FINANCIAL PLANNING

We provide a variety of financial planning services to you regarding the management of your financial resources, based upon an analysis of your needs. Generally, such financial planning services will involve preparing a financial program for you based on your financial circumstances and objectives. This information typically covers present and anticipated assets and liabilities, including insurance, savings, investments and anticipated retirement or other employee benefits.

Our financial planning typically includes general recommendations for a course of activity or specific actions that you should take. For example, recommendations may be made that the Clients obtain insurance or revise existing coverage, establish an individual retirement account, increase or decrease funds held in savings accounts or to invest funds in certain securities.

Other financial planning services that we may provide include ongoing financial counseling, account review, securities research and other advisory services related to investments.

Financial planning services to be provided to you will be outlined on the client agreement that you sign with us.

Financial Planning/Education Seminars

For an hourly or fixed-fee, the WealthCare Alliance, Inc. and its Advisory Representatives will present financial planning or educational seminars or workshops that will assist groups of individuals, households, employees and/or businesses in determining their investment goals and objectives, risk tolerance, insurance, retirement plan time horizons, employee stock option strategies and/or estate planning strategies. Client and/or seminar or workshop participants will be responsible for accepting and implementing the Advisor's recommendations. Further, WealthCare Alliance, Inc. will neither provide *Continuous* or *Portfolio Monitoring* services for such accounts nor will it receive asset-based compensation. However, the Client will be able to engage WealthCare Alliance, Inc.'s Advisory Representatives to implement recommendations and findings.

Schwab

In their separate capacity as Registered Representatives of Royal Alliance, the Adviser's Advisory Representatives and Royal Alliance are subject to certain FINRA supervisory obligations which have caused Royal Alliance to select Schwab as an approved third-party clearing broker/dealer which will execute trades, settle securities transactions and custody clients assets on behalf of the Adviser and its Advisory Representatives.

Factors considered in selecting Schwab include its extensive financial strength, reputation, reporting, and execution pricing and research. Schwab also makes available to the Adviser's clients a broad array of no-load, no transaction or low transaction cost mutual funds.

Royal Alliance does not sponsor a wrap, unbundled wrap, or fee and commission offset program through Schwab.

Schwab charges commission rates which are generally considered discounted from customary retail commission rates. However, the commissions and/or transaction fees charged by Royal Alliance and Schwab may be higher or lower than those charged by other broker-dealer/custodians. The fees charged by Royal Alliance and Schwab, or any other designated broker-dealer/custodian, are exclusive of, and in addition to, the Adviser's investment management fees. In addition, the clients shall also incur charges imposed at the mutual fund level (e.g. management fees and other fund expenses).

CFO Consulting Services

WealthCare Alliance may provide CFO Services for business owners and provide business consultations not involving securities. This is separate from personal Financial Planning services. Topics may include budgetary planning, succession planning, and/or business plans.

5. Fees and Compensation

GENERAL INFORMATION CONCERNING FEES

In certain circumstances, advisory fees and account minimums may be negotiable based upon prior relationships as well as related account holdings. Fees charged are not charged on the basis of a share of capital gains or capital appreciation of the funds or any portion of the funds of an advisory client.

Additional Fees and Expenses

12b-1 Payments: Advisory Representatives may also receive payments from certain mutual funds recommended for use in these programs pursuant to a plan adopted under SEC Rule 12b-1 (A “12b-1 Plan”) or other plan described in the applicable fund’s prospectus. Thus, Advisory Representatives may have a greater incentive to recommend certain funds or fund families with 12b-1 fees or funds with higher 12b-1 fees over other funds or fund families with no or lower 12b-1 fees

Internal Mutual Fund and Variable Annuity Expenses: Generally, mutual fund and variable annuity companies impose internal fees and expenses on clients. Such fees are in addition to any program costs associated with the investment advisory services described above. Complete details of such internal expenses are specified and disclosed in each mutual fund and variable annuity company’s prospectus. Clients are strongly advised to review the prospectus prior to investing in such securities.

ENGAGING THE ADVISOR

All Clients wishing to engage **WealthCare Alliance, Inc.** for the provision of its investment advisory services, must, in addition to completing **WealthCare Alliance, Inc.’s** internal documents and Investment Advisory Agreement, complete certain Royal Alliance documentation. Upon completion of the aforementioned documents, together with the Advisory Representatives securing the relevant approvals, **WealthCare Alliance, Inc.** will be considered engaged by the Client. The term of engagement will either one time or continuous, as set forth in the Advisory Agreement. For continuous agreements, Clients will be responsible for ensuring that **WealthCare Alliance, Inc.** has been timely informed of changes in investment objectives and risk tolerance. Clients can terminate **WealthCare Alliance, Inc.’s** agreement at any time, upon prior written notice. Clients will receive, where applicable, a prorated refund of any prepaid advisory fees. Such prorated refund will be based upon actual services and termination costs incurred up to and at the time of termination of the Advisor’s services.

COMPENSATION

Compensation generally, consists of four elements: i) management and advisory fees shared by the Third Party Advisory Services, WealthCare Alliance, Inc., and its Advisory Representatives; ii) transaction costs – if applicable – which may be paid to purchase and sell such securities; iii) custody fees; and iv) an additional Administrative fee paid to Royal Alliance for its supervisory services. Such compensation, in turn, is recaptured through one of the following pricing structures:

Wrap Pricing:

Under these programs, the inclusive “wrap” fee covers account management, brokerage, clearance, custody and administrative services. In other programs, the client may be charged separately for such services. The wrap fees may be higher or lower than if such services were obtained separately. Generally, wrap programs are relatively less expensive for actively traded accounts.

Unbundled Pricing:

Other Third Party Advisory Services may be provided on an “unbundled” fee basis. In such cases, the Third Party Advisory Service’s fee may be separate from the advisory fee charged by the Advisory Representative and WealthCare Alliance, Inc.. Transaction costs may also be charged for the execution and clearance of advisory transactions directed by such Third Party Advisory Services. Further, compensation to the Advisory Representatives may be in the form of commissions earned in the underlying securities portfolios, which are managed by the Third Party Advisory Service. In addition to Royal Alliance’s share of the Third Party Advisory Fee, it may charge an additional administrative fee for its Administrative and supervisory services. Clients will receive an account statement from the Third Party Advisory Service at least quarterly, which includes the amount of any fees paid directly to such Third Party Advisory Service, or any other

adviser selected by the client to manage the account. These fees are in addition to the internal advisory fees and expenses paid by the mutual funds or variable annuity companies to their separate investment advisers. In addition, variable annuity companies generally impose mortality charges on such accounts, of approximately 1.25% annually. Royal Alliance's Administrative fees will either be bundled into the wrap fee or disclosed as a separate charge in unbundled programs. The amount of total fees, the services provided, the payment structure, termination provisions and other aspects of each program are detailed and disclosed in: i) the Third Party Investment Advisory Service's Form ADV Part II; ii) the program wrap brochure (if applicable) or other applicable disclosure documents; iii) the disclosure documents of the portfolio manager or managers selected; or, iv) the Third Party Advisory Service's account opening documents.

VISION2020 ADVISOR PROGRAM

We offer V2A as an account billed with separate advisory fees and transaction charges ("Non-Wrap Account"). As such, in addition to the quarterly account fee described below, you will also pay separate per-trade transaction charges. Please see the V2A Wrap Fee Program Brochure for a complete list of transaction charges.

We also offer V2A as an account where no separate transactions charges apply and a single fee is paid for all advisory services and transactions ("Wrap Account").

Either way, you will pay a quarterly account fee, in advance, based upon the market value of the assets held in your account as of the last business day of the preceding calendar quarter. Your account fees are negotiable and will be debited from your account by our custodian. You will receive a full account fee refund in the event that you terminate your client agreement with us within five business days of signing. If you terminate after the first five days, the account fee will be credited back to you on a pro-rata basis for the unused portion of the quarter.

Additional, ancillary V2A fees may apply. Please see the V2A Wrap Fee Program Brochure for further details.

Our V2A account fee schedule is as follows:

Schedule Of V2A Fees *

<u>Portfolio Value</u>	<u>Maximum Fee Per Annum</u>	<u>Maximum Fee Per Quarter</u>
First \$500,000	1.5%	0.375%
\$500,001-\$1,000,000	1.3%	0.325%
\$1,000,001-\$2,000,000	1.0%	0.250%
\$2,000,001 and above	Negotiable	Negotiable

*The account fee will be paid quarterly in advance. The fee will be payable when the account is established, pro-rated for the first partial quarter, if applicable. Thereafter, the fee will be payable on the first day of each calendar quarter based on the asset value of the account as of the last business day of the prior quarter. Additional deposits to the account are subject to the same fee procedures.

In addition to the investment advisory fee, the Client may be charged transaction charges pursuant to a fixed schedule for trade execution. These transaction charges are paid to Pershing and are partially retained by Pershing for its clearance and execution services. Furthermore, a portion of the transaction fee will be paid to Royal for its supervisory services. These transaction charges represent the only payment to Royal and Pershing for their services. The transaction charges for execution and supervisory services will be described in detail in the Investment Advisory Agreement provided to each Client. If the account is opened with securities previously purchased through Royal Alliance or **WealthCare Alliance, Inc., Royal Alliance and **WealthCare Alliance, Inc.** may have already received commissions on the purchase. If the account is opened with cash proceeds from the sale of securities purchased through Royal or **WealthCare Alliance, Inc.**, Royal Alliance and/or **WealthCare Alliance, Inc.** may already have received commissions on the sale. RASA pricing may be suitable for Clients with a more passive trading strategy who wish to unbundle the transaction costs from advisory and custodian costs.

VISION2020 MODELFOLIOS PROGRAM

We offer Modelfolios as an account where no separate transactions charges apply and a single fee is paid for all advisory services and transactions ("Wrap Account").

You will pay a quarterly account fee, in advance, based upon the market value of the assets held in your account as of the last business day of the preceding calendar quarter. Your account fees are negotiable and will be debited from your account by our custodian. You will receive a full account fee refund in the event that you terminate your client agreement with us within five business days of signing. If you terminate after the first five days, the account fee will be credited back to you on a pro-rata basis for the unused portion of the quarter.

Additional, ancillary Modelfolios fees may apply. Please see the Modelfolios Wrap Fee Program Brochure for further details.

Our Modelfolios account fee schedule is as follows:

Schedule Of Modelfolios Fees *

<u>Portfolio Value</u>	<u>Maximum Fee</u>	
	<u>Per Annum</u>	<u>Per Quarter</u>
First \$500,000	1.5%	0.375%
\$500,001-\$1,000,000	1.3%	0.325%
\$1,000,001-\$2,000,000	1.0%	0.250%
\$2,000,001 and above	Negotiable	Negotiable

*The account fee will be paid quarterly in advance. The fee will be payable when the account is established, pro-rated for the first partial quarter, if applicable. Thereafter, the fee will be payable on the first day of each calendar quarter based on the asset value of the account as of the last business day of the prior quarter. Additional deposits to the account are subject to the same fee procedures.

In addition to the investment advisory fee, the Client will be charged transaction charges pursuant to a fixed schedule for trade execution. These transaction charges are paid to Pershing and are partially retained by Pershing for its clearance and execution services. Furthermore, a portion of the transaction fee will be paid to Royal for its supervisory services. These transaction charges represent the only payment to Royal and Pershing for their services. The transaction charges for execution and supervisory services will be described in detail in the Investment Advisory Agreement provided to each Client. If the account is opened with securities previously purchased through Royal Alliance or **WealthCare Alliance, Inc., Royal Alliance and **WealthCare Alliance, Inc.** may have already received commissions on the purchase. If the account is opened with cash proceeds from the sale of securities purchased through Royal or **WealthCare Alliance, Inc.**, Royal Alliance and/or **WealthCare Alliance, Inc.** may already have received commissions on the sale. RASA pricing may be suitable for Clients with a more passive trading strategy who wish to unbundle the transaction costs from advisory and custodian costs.

VISION2020 WEALTH MANAGEMENT PLATFORM – MODEL PORTFOLIOS PROGRAM

We offer the Model Program as an account where no separate transactions charges apply and a single fee is paid for all advisory services and transactions ("Wrap Account").

You will pay a quarterly account fee, in advance, based upon the market value of the assets held in your account as of the last business day of the preceding calendar quarter. Your account fees are negotiable and will be debited from your account by our custodian. You will receive a full account fee refund in the event that you terminate your client agreement with us within five business days of signing. If you terminate after the first five days, the account fee will be credited back to you on a pro-rata basis for the unused portion of the quarter.

Additional, ancillary Model Program fees may apply. Please see the Model Program Wrap Fee Program Brochure for further details.

Our Model Program account fee schedule is as follows:

Schedule Of Model Program Fees *

<u>Portfolio Value</u>	<u>Maximum Fee</u>	
	<u>Per Annum</u>	<u>Per Quarter</u>
First \$500,000	1.5%	0.375%
\$500,001-\$1,000,000	1.3%	0.325%
\$1,000,001-\$2,000,000	1.0%	0.250%

\$2,000,001 and above**Negotiable****Negotiable**

*The account fee will be paid quarterly in advance. The fee will be payable when the account is established, pro-rated for the first partial quarter, if applicable. Thereafter, the fee will be payable on the first day of each calendar quarter based on the asset value of the account as of the last business day of the prior quarter. Additional deposits to the account are subject to the same fee procedures.

In addition to the investment advisory fee, the Client will be charged transaction charges pursuant to a fixed schedule for trade execution. These transaction charges are paid to Pershing and are partially retained by Pershing for its clearance and execution services. Furthermore, a portion of the transaction fee will be paid to Royal for its supervisory services. These transaction charges represent the only payment to Royal and Pershing for their services. The transaction charges for execution and supervisory services will be described in detail in the Investment Advisory Agreement provided to each Client. If the account is opened with securities previously purchased through Royal Alliance or **WealthCare Alliance, Inc., Royal Alliance and **WealthCare Alliance, Inc.** may have already received commissions on the purchase. If the account is opened with cash proceeds from the sale of securities purchased through Royal or WealthCare Alliance, Inc., Royal Alliance and/or WealthCare Alliance, Inc. may already have received commissions on the sale. RASA pricing may be suitable for Clients with a more passive trading strategy who wish to unbundle the transaction costs from advisory and custodian costs.

VISION2020 WEALTH MANAGEMENT PLATFORM – SMA AND UMA PROGRAM

We offer WMAP as an account where no separate transactions charges apply and a single fee is paid for all advisory services and transactions ("Wrap Account").

You will pay a quarterly account fee, in advance, based upon the market value of the assets held in your account as of the last business day of the preceding calendar quarter. Your account fees are negotiable and will be debited from your account by our custodian. You will receive a full account fee refund in the event that you terminate your client agreement with us within five business days of signing. If you terminate after the first five days, the account fee will be credited back to you on a pro-rata basis for the unused portion of the quarter.

Additional, ancillary WMAP fees may apply. Please see the WMAP Wrap Fee Program Brochure for further details.

Our WMAP account fee schedule is as follows:

Schedule Of WMAP Fees *

<u>Portfolio Value</u>	<u>Maximum Fee</u>	<u>Maximum Fee</u>
	<u>Per Annum</u>	<u>Per Quarter</u>
First \$500,000	1.5%	0.375%
\$500,001-\$1,000,000	1.3%	0.325%
\$1,000,001-\$2,000,000	1.0%	0.250%
\$2,000,001 and above	Negotiable	Negotiable

*The account fee will be paid quarterly in advance. The fee will be payable when the account is established, pro-rated for the first partial quarter, if applicable. Thereafter, the fee will be payable on the first day of each calendar quarter based on the asset value of the account as of the last business day of the prior quarter. Additional deposits to the account are subject to the same fee procedures.

In addition to the investment advisory fee, the Client will be charged transaction charges pursuant to a fixed schedule for trade execution. These transaction charges are paid to Pershing and are partially retained by Pershing for its clearance and execution services. Furthermore, a portion of the transaction fee will be paid to Royal for its supervisory services. These transaction charges represent the only payment to Royal and Pershing for their services. The transaction charges for execution and supervisory services will be described in detail in the Investment Advisory Agreement provided to each Client. If the account is opened with securities previously purchased through Royal Alliance or **WealthCare Alliance, Inc., Royal Alliance and **WealthCare Alliance, Inc.** may have already received commissions on the purchase. If the account is opened with cash proceeds from the sale of securities purchased through Royal or WealthCare Alliance, Inc., Royal Alliance and/or WealthCare Alliance, Inc. may already have received commissions on the sale. RASA pricing may be suitable for Clients with a more passive trading strategy who wish to unbundle the transaction costs from advisory and custodian costs.

MANAGED ASSETS PROGRAM

We offer the MAP Program as an account where no separate transactions charges apply and a single fee is paid for all advisory services and transactions ("Wrap Account").

You will pay a quarterly account fee, in advance, based upon the market value of the assets held in your account as of the last business day of the preceding calendar quarter. Your account fees are negotiable and will be debited from your account by our custodian. You will receive a full account fee refund in the event that you terminate your client agreement with us within five business days of signing. If you terminate after the first five days, the account fee will be credited back to you on a pro-rata basis for the unused portion of the quarter.

Additional, ancillary MAP fees may apply. Please see the MAP Wrap Fee Program Brochure for further details.

Our MAP account fee schedule is as follows:

Schedule Of MAP Fees *

<u>Portfolio Value</u>	<u>Maximum Fee</u>	<u>Maximum Fee</u>
	<u>Per Annum</u>	<u>Per Quarter</u>
First \$500,000	1.5%	0.375%
\$500,001-\$1,000,000	1.3%	0.325%
\$1,000,001-\$2,000,000	1.0%	0.250%
\$2,000,001 and above	Negotiable	Negotiable

*The account fee will be paid quarterly in advance. The fee will be payable when the account is established, pro-rated for the first partial quarter, if applicable. Thereafter, the fee will be payable on the first day of each calendar quarter based on the asset value of the account as of the last business day of the prior quarter. Additional deposits to the account are subject to the same fee procedures.

**In addition to the investment advisory fee, the Client will be charged transaction charges pursuant to a fixed schedule for trade execution. These transaction charges are paid to Pershing and are partially retained by Pershing for its clearance and execution services. Furthermore, a portion of the transaction fee will be paid to Royal for its supervisory services. These transaction charges represent the only payment to Royal and Pershing for their services. The transaction charges for execution and supervisory services will be described in detail in the Investment Advisory Agreement provided to each Client. If the account is opened with securities previously purchased through Royal Alliance or WealthCare Alliance, Inc., Royal Alliance and WealthCare Alliance, Inc. may have already received commissions on the purchase. If the account is opened with cash proceeds from the sale of securities purchased through Royal or WealthCare Alliance, Inc., Royal Alliance and/or WealthCare Alliance, Inc. may already have received commissions on the sale. RASA pricing may be suitable for Clients with a more passive trading strategy who wish to unbundle the transaction costs from advisory and custodian costs.

RETIREMENT PLAN CONSULTING SERVICES

Each of our Advisory Representatives will determine whether to bill the Company for Retirement Plan Consulting Services at a pre-determined hourly rate, a fixed fee or based upon a percentage of Plan assets. Fees may be billed quarterly in advance or in arrears. In special circumstances other fee paying arrangements may be negotiated. The above referenced terms will be disclosed in the client agreement we sign with the Company.

The Company may terminate the written agreement they signed with us within five days of the execution date without penalty. Thereafter, the written agreement may be terminated by us or the Company at any time upon 60 days' prior written notice. Upon termination, we will deliver a final billing statement for unbilled work performed prior to termination, and the Company will have a period of 30 days within which to deliver payment. If we bill the Company in advance and if the termination of the client agreement occurs after the first five days, our fee will be credited back to the Company on a pro-rata basis for the unused portion of the billing period. When we calculate the credit, we will subtract any unbilled work we performed for the Company prior to termination.

Each of our Advisory Representatives negotiates their own fee schedule based on the fee schedules outlined below:

- Fixed Fee: Based on the scope of services agreed upon in engagement, reasonable in light of geographical location, complexity of engagement, size of Plan, and other relevant factors.
 - Range: \$5,000 - \$100,000

- **Hourly Fee:** Based on estimate of hours needed as provided in engagement (Company must approve in writing hours above original engagement); reasonable in light of geographical location, complexity of engagement, size of Plan, and other relevant factors.
 - Range: \$50 - \$300 per hour
- **Basis Points:** Based on specific asset levels in Plan at dates provided in the engagement.
 - Range: \$0 to \$20,000,000 10-100 bps of AUM
 - \$20,000,001 to \$40,000,000 5-50 bps of AUM
 - \$40,000,001 and above 3-25 bps of AUM

SEMINARS

Our Advisory Representatives may host seminars on various financial topics that may encourage clients to seek investment advisory services or purchase securities or insurance products. Fees for the seminars generally range from \$0 to \$300 per session. Fees may be negotiable for group rates and are negotiated based upon the number of attendees and the content of the seminar. Fees are due before the seminar or on the day of the seminar, as set forth in the seminar announcement. Cancellation and refund provisions for prepaid fees are disclosed in the seminar announcement or invitation.

RASA 044 ACCOUNTS

We offer RASA as an account billed with separate advisory fees and transaction charges ("Non-Wrap Account"). As such, in addition to the quarterly account fee described below, you will also pay separate per-trade transaction charges. Please see your client agreement for a complete list of transaction charges.

You will pay a quarterly account fee, in advance, based upon the market value of the assets held in your account as of the last business day of the preceding calendar quarter. Your account fees are negotiable and will be debited from your account by our custodian. You will receive a full account fee refund in the event that you terminate your client agreement with us within five business days of signing. If you terminate after the first five days, the account fee will be credited back to you on a pro-rata basis for the unused portion of the billing period.

Our RASA fee schedule is as follows:

Schedule Of Rasa Fees *

<u>Portfolio Value</u>	<u>Maximum Fee</u>	<u>Maximum Fee</u>
	<u>Per Annum</u>	<u>Per Quarter</u>
First \$500,000	1.5%	0.375%
\$500,001-\$1,000,000	1.3%	0.325%
\$1,000,001-\$2,000,000	1.0%	0.250%
\$2,000,001 and above	Negotiable	Negotiable

*The account fee will be paid quarterly in advance. The fee will be payable when the account is established, pro-rated for the first partial quarter, if applicable. Thereafter, the fee will be payable on the first day of each calendar quarter based on the asset value of the account as of the last business day of the prior quarter. Additional deposits to the account are subject to the same fee procedures.

In addition to the investment advisory fee, the Client will be charged transaction charges pursuant to a fixed schedule for trade execution. These transaction charges are paid to Pershing and are partially retained by Pershing for its clearance and execution services. Furthermore, a portion of the transaction fee will be paid to Royal for its supervisory services. These transaction charges represent the only payment to Royal and Pershing for their services. The transaction charges for execution and supervisory services will be described in detail in the Investment Advisory Agreement provided to each Client. If the account is opened with securities previously purchased through Royal Alliance or **WealthCare Alliance, Inc., Royal Alliance and **WealthCare Alliance, Inc.** may have already received commissions on the purchase. If the account is opened with cash proceeds from the sale of securities purchased through Royal or **WealthCare Alliance, Inc.**, Royal Alliance and/or **WealthCare Alliance, Inc.** may already have received commissions on the sale. RASA pricing may be suitable for Clients with a more passive trading strategy who wish to unbundle the transaction costs from advisory and custodian costs.

THIRD PARTY ADVISORY SERVICES

Compensation in connection with Third Party Advisory Services generally consists of five elements: i) management fees paid to Third Party Advisory Services ii) management fees paid to us as outlined below iii) transaction costs – if applicable – which may be paid to purchase and sell such securities; iv) custody fees; v) revenue sharing compensation paid to Royal Alliance Associates, Inc. (“Royal Alliance”) the securities broker-dealer to which members of our Firm are associated with; and vi) fees paid to Royal Alliance for administrative and supervisory services.

For more complete fee details, please see the applicable Third Party Advisory Service’s disclosure brochures, investment advisory contracts, and account opening documents. Please see below for our fee schedule:

You will pay a quarterly account fee, in advance, based upon the market value of the assets held in your account as of the last business day of the preceding calendar quarter. Your account fees are negotiable and will be debited from your account by our custodian. You will receive a full account fee refund in the event that you terminate your client agreement with us within five business days of signing. If you terminate after the first five days, the account fee will be credited back to you on a pro-rata basis for the unused portion of the billing period.

Schedule Of Third Party account WealthCare Alliance Fees *

<u>Portfolio Value</u>	<u>Maximum Fee</u>	<u>Maximum Fee</u>
	<u>Per Annum</u>	<u>Per Quarter</u>
First \$500,000	1.5%	0.375%
\$500,001-\$1,000,000	1.3%	0.325%
\$1,000,001-\$2,000,000	1.0%	0.250%
\$2,000,001 and above	Negotiable	Negotiable

*The account fee will be paid quarterly in advance. The fee will be payable when the account is established, pro-rated for the first partial quarter, if applicable. Thereafter, the fee will be payable on the first day of each calendar quarter based on the asset value of the account as of the last business day of the prior quarter. Additional deposits to the account are subject to the same fee procedures.

**In addition to the investment advisory fee, the Client will be charged transaction charges pursuant to a fixed schedule for trade execution. These transaction charges are paid to Pershing and are partially retained by Pershing for its clearance and execution services. Furthermore, a portion of the transaction fee will be paid to Royal for its supervisory services. These transaction charges represent the only payment to Royal and Pershing for their services. The transaction charges for execution and supervisory services will be described in detail in the Investment Advisory Agreement provided to each Client. If the account is opened with securities previously purchased through Royal Alliance or WealthCare Alliance, Inc., Royal Alliance and WealthCare Alliance, Inc. may have already received commissions on the purchase. If the account is opened with cash proceeds from the sale of securities purchased through Royal or WealthCare Alliance, Inc., Royal Alliance and/or WealthCare Alliance, Inc. may already have received commissions on the sale. RASA pricing may be suitable for Clients with a more passive trading strategy who wish to unbundle the transaction costs from advisory and custodian costs.

***advisory fees are negotiable but fees charged by the Third Party Advisory Service in connection with their services may not be.

THIRD PARTY CLEARING FIRM PROGRAMS (E.G. SCHWAB)

You will pay a quarterly account fee, in advance, based upon the market value of the assets held in your account as of the last business day of the preceding calendar quarter. Your account fees are negotiable and will be debited from your account by our custodian. You will receive a full account fee refund in the event that you terminate your client agreement with us within five business days of signing. If you terminate after the first five days, the account fee will be credited back to you on a pro-rata basis for the unused portion of the billing period.

Our Schwab fee schedule is as follows:

Schedule Of Schwab account WealthCare Alliance Fees *

<u>Portfolio Value</u>	<u>Maximum Fee</u>	<u>Maximum Fee</u>
	<u>Per Annum</u>	<u>Per Quarter</u>
First \$500,000	1.5%	0.375%

\$500,001-\$1,000,000	1.3%	0.325%
\$1,000,001-\$2,000,000	1.0%	0.250%
\$2,000,001 and above	Negotiable	Negotiable

*The account fee will be paid quarterly in advance. The fee will be payable when the account is established, pro-rated for the first partial quarter, if applicable. Thereafter, the fee will be payable on the first day of each calendar quarter based on the asset value of the account as of the last business day of the prior quarter. Additional deposits to the account are subject to the same fee procedures.

In addition to the investment advisory fee, the Client will be charged transaction charges pursuant to a fixed schedule for trade execution. These transaction charges are paid to Pershing and are partially retained by Pershing for its clearance and execution services. Furthermore, a portion of the transaction fee will be paid to Royal for its supervisory services. These transaction charges represent the only payment to Royal and Pershing for their services. The transaction charges for execution and supervisory services will be described in detail in the Investment Advisory Agreement provided to each Client. If the account is opened with securities previously purchased through Royal Alliance or **WealthCare Alliance, Inc., Royal Alliance and **WealthCare Alliance, Inc.** may have already received commissions on the purchase. If the account is opened with cash proceeds from the sale of securities purchased through Royal or **WealthCare Alliance, Inc.**, Royal Alliance and/or **WealthCare Alliance, Inc.** may already have received commissions on the sale. RASA pricing may be suitable for Clients with a more passive trading strategy who wish to unbundle the transaction costs from advisory and custodian costs.

FINANCIAL PLANNING

When you receive financial planning services you may also purchase securities or insurance products offered through Royal Alliance pursuant to the plan or consultation. Members of our Firm may receive commissions as Registered Representatives of Royal Alliance or insurance agents in connection with such transactions. Thus, we may have a conflict of interest when providing financial planning services to you as there may be an incentive for us to recommend specific courses of action through our financial planning services that may lead to members of our Firm receiving additional compensation.

Please be aware that you are under no obligation to purchase products or services recommended by us or members of our Firm in connection with our providing you with financial planning services, or any advisory service that we offer.

Fee Schedule for Financial Planning

As an initial fixed fee, typically ranging from \$500 - \$10,000, depending on the nature and complexity of each Client's circumstances. Also an annual Financial Planning maintenance and review fee of \$750/year (billed 3 times/year) may be charged.

On an hourly basis, \$250 per-hour. An estimate for total hours will be determined at the start of the advisory relationship. Hours shall be calculated in ½ hour increments.

For fees in excess of \$500, 50% of the estimated fee will be due by check upon signing the Advisory Agreement, with the balance due upon presentation of the plan to the client. Typically the financial plan will be presented to the client within 90 days of the contract date, provided that all information needed has been promptly provided by the client. All checks should be made to "WealthCare Alliance, Inc."

Additional Fees and Expenses:

Mutual fund investments in the programs that we offer are no-load or load at NAV. Your mutual fund investments may be subject to early redemption fees, 12b-1 fees and mutual fund management fees as well as other mutual fund expenses. These fees are in addition to the fees and expenses referenced above. Please review the mutual fund prospectus for full details.

Variable annuity companies generally impose internal fees and expenses on your variable annuity investment, including contingent deferred sales charges and early redemption fees. In addition, variable annuity companies generally impose mortality charges of approximately 1.25% annually. These fees are in addition to the fees and expenses

referenced above. Complete details of such internal expenses are specified and disclosed in each variable annuity company's prospectus. Please review the Variable Annuity prospectus for full details.

For Non-Wrap Accounts, in addition to the per-trade transaction charges referenced above, you will also be subject to per-trade confirmation fees as disclosed on your trade confirmation (typically \$4.00 per trade) and an additional fee of \$1.50 for each trade confirmation that you do not elect to receive electronically. You may also be subject to an additional, per-trade transaction charge on the selling of certain securities as disclosed on your trade confirmation (generally less than \$1.00 on trades of \$50,000 or less). These fees are not shared with us but are transaction charges paid to Royal Alliance and our custodian. Please see Item 10 which explains our relationship with Royal Alliance.

There are additional fees relating to IRA and Qualified Retirement Plan accounts that you may incur such as maintenance and termination fees. You will find these fees disclosed in the account application paperwork provided to you associated with these accounts.

For Wrap Accounts, you will be charged an additional fee of \$1.50 for each trade confirmation that you do not elect to receive electronically. You may also be subject to an additional, per-trade transaction charge on the selling of certain securities as disclosed on your trade confirmation (generally less than \$1.00 on trades of \$50,000 or less). These fees are not shared with us but are transaction charges paid to Royal Alliance and our custodian. Please see Item 10 which explains our relationship with Royal Alliance.

There are additional fees relating to IRA and Qualified Retirement Plan accounts that you may incur such as maintenance and termination fees. You will find these fees disclosed in the account application paperwork provided to you associated with these accounts.

In addition to providing advisory services, our Advisory Representatives will likely also sell you securities products and other investment and insurance products in their capacity as registered representatives of Royal Alliance and as licensed insurance agents. We will receive additional compensation in connection with this activity and the amount of compensation will depend on the type of product purchased. We will have a greater financial incentive to sell certain products as opposed to others (for example, in the case of mutual funds those that have a higher 12b-1 fee than others). While our security sales are reviewed for suitability by an appointed supervisor, you should be aware of the incentives we have to sell certain securities products and are encouraged to ask us about any conflict presented.

Please be aware that you are under no obligation to purchase products or services recommended by us or members of our Firm in connection with providing you with any advisory service that we offer.

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

Not applicable. We do not charge performance-based fees.

7. Types of Clients

Our Advisory Representatives provide investment advisory services to:

- Individuals
- Pension and profit sharing plans
- Trusts
- Estates or charitable organizations
- Corporations
- Other business entities

Our minimum account size requirements for opening an account with us are as follows:

Program	Requirements
VISION2020 Wealth Management Program – Advisor Managed Portfolios	\$50,000 – Wrap Account (If Advisory Representative pays transaction charges) \$50,000 – Non-Wrap Account \$100,000 – Wrap Account (If Royal Alliance pays

	transaction charges)
VISION2020 Wealth Management Program – Model Portfolios	\$25,000 - SAAMCo. \$25,000 – LWI – SA Funds \$25,000 – Russell and Russell Tax-Managed \$50,000 – LWI – DFA Funds \$50,000 – ICON \$50,000 – Morningstar \$100,000 – Avatar
VISION2020 Wealth Management Program – SMA and UMA Program	\$100,000 – SMA \$150,000 - UMA
VISION2020 Advisor Program	\$50,000 – Non-Wrap \$100,000 – Wrap
VISION2020 Modelfolios Program	\$10,000 – Russell \$25,000 – SAAMCo
Managed Assets Program	\$100,000 – Single Asset Category \$100,000 – Diversified Multi-Strategy \$300,000 – Asset Allocation
Third Party Advisory Services	Each Third Party Advisory Service sets their own minimums.
Financial Planning	No minimum
Non-Discretionary Investment Services	No minimum
Retirement Plan Consulting	No minimum

All account minimums may be waived in the sole discretion of the Program Sponsor

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

Methods of Analysis:

When analyzing investments that may be right for you, we use both Fundamental and Technical Analysis. Fundamental analysis is security analysis grounded in basic factors such as company earnings, balance sheet variables and management quality which are used to predict the future value of an investment. Information such as interest rates, GNP, inflation and unemployment may be used to predict the direction of the economy and therefore the stock market. Technical analysis is the practice of using statistics to determine trends in security prices and make or recommend investment decisions based on those trends. Technical analysis focuses on matters such as trade volume, demand, and volatility to help determine the market forces at work on a certain security or on the securities market as a whole.

Investment Strategies:

Subject to suitability requirements, we generally advise the long-term purchase of mutual funds, closed-end funds and exchange-traded funds to our clients. Long-term purchases are typically defined as the purchase of securities held for at least a year.

On some occasions we will use margin transactions (Definition - Trading securities that an investor has bought with money borrowed from a broker for that purpose.), Short Sales (Definition - Selling a security that the seller does not own but will repurchase eventually in an attempt to capitalize on an expected decline in the security's price), and Short term purchases (Definition – The selling of securities within one year of purchase). We occasionally also use funds that use these strategies.

Associated Risks:

When using Fundamental Analysis, we generally rely on, among other things, company earnings, balance sheet variables and management quality which are used to predict the future value of an investment. Data we review is generally considered reliable but we cannot guarantee nor have we verified its accuracy. In addition, the data that we review is sometimes subjective in nature and open to interpretation. Even if our data and interpretation of the data is correct, there may be other factors that determine the value of securities other than those considered in Fundamental Analysis.

When using Technical Analysis we review statistics to determine trends in security prices and make our investment decisions based on those trends. This analysis may only be able to predict how an investment will perform short-term. In addition, this analysis does not take into account, the more fundamental properties of what an investment may be worth such as company performance and balance sheet variables which may play a part in determining the value of an investment.

When pursuing our long-term purchases strategy, we are assuming the Financial Markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market that you are invested in or perhaps just your particular investment will go down over time even if the overall Financial Markets advance. In addition, purchasing investments long-term may create an opportunity cost - “locking-up” assets that may be better utilized in the short-term in other investments.

When pursuing Short-term purchases strategies, we generally assume that we can predict how Financial Markets will perform in the short-term which may be very difficult. There are many factors that can affect Financial Market performance in the short-term (such as short-term interest rate changes, cyclical earnings announcements, etc.) but may have a smaller impact over longer periods of times.

A short sales strategy is profitable when the price of the security that is “sold short” declines. If you purchase a security, the maximum amount of money you can lose is the value of the investment (the price goes to \$0). If you “sell short” the same security, and the price of the security increases, your potential for loss is unlimited.

Using margin involves the use of leverage by borrowing money to purchase securities. If the price of the purchased security decreases, you risk losing significantly more money than your initial investment. Further risks are disclosed in the margin agreement you will sign before we engage your account in this activity.

Security Type Risks:

Stocks – Investing in stocks involves the assumption of risk including:

- Financial Risk: which is the risk that the companies we recommend to you may perform poorly which will affect the price of your investment.
- Market Risk: which is the risk that the Stock Market will decline, decreasing the value of the securities we recommend to you with it.
- Inflation Risk: which is the risk that the rate of price increases in the economy deteriorates the returns associated with the stock.
- Political and Governmental Risk: which is the risk that the value of your investment may change with the introduction of new laws or regulations.

Bonds – Investing in bonds involves the assumption of risk including:

- Interest Rate Risk: which is the risk that the value of the bond investments we recommend to you will fall if interest rates rise.
- Call Risk: which is the risk that your bond investment will be called or purchased back from you when conditions are favorable to the bond issuer and unfavorable to you.
- Default Risk: which is the risk that the bond issuer may be unable to pay you the contractual interest or principal on the bond in a timely manner or at all.
- Inflation Risk: which is the risk that the rate of price increases in the economy deteriorates the returns associated with the bond.

Mutual Funds, Closed-End Funds and Exchange-Traded Funds – Investing in these funds involves the assumption of risk including:

- Manager Risk: which is the risk that an actively managed fund’s investment adviser will fail to execute the fund’s stated investment strategy.
- Market Risk: which is the risk that the Stock Market will decline, decreasing the value of the securities contained within the mutual funds we recommend to you.
- Industry Risk: which is the risk that a group of stocks in a single industry will decline in price due to adverse developments in that industry, decreasing the value of mutual funds that are significantly invested in that industry.

- Inflation Risk: which is the risk that the rate of price increases in the economy deteriorates the returns associated with the mutual fund.

Listed above are some of the primary risks associated with the way we recommend investments to you, please do not hesitate to contact us to discuss these risks and others in more detail. In instances where we recommend that a third party manage your assets, please refer to the third party's ADV and associated disclosure documents for details on their investment strategies, methods of analysis and associated risks.

Investing in securities involves risk of loss that you should be prepared to bear.

9. Disciplinary Information

Not Applicable WealthCare Alliance has nothing to disclose in this section.

10. Other Financial Industry Activities and Affiliations

All representatives of our firm that provide advice to you ("Advisory Representatives") are associated with Royal Alliance Associates, Inc. ("Royal Alliance") as Registered Representatives. Royal Alliance is a diversified financial services company registered with the Financial Industry Regulatory Authority ("FINRA") as a broker-dealer engaged in the offer and sale of securities products. Our Advisory Representatives may recommend the purchase of securities offered by Royal Alliance. If you purchase these products through them, they will receive normal commissions which may be in addition to customary advisory fees. As such, Advisory Representatives may have an incentive to sell you commissionable products in addition to providing you with advisory services when such commissionable products may not be suitable. Alternatively, they may have an incentive to forego providing you with advisory services when appropriate, and instead recommend the purchase of commissionable investments, if they deem that the payout for recommending the purchase of these investments would be higher than providing management advice on these products for an advisory fee. Therefore, a conflict of interest may exist between their interests and your best interests.

While our security sales are reviewed for suitability by an appointed supervisor, you should be aware of the incentives we have to sell certain securities products and are encouraged to ask us about any conflict presented.

Please be aware that you are under no obligation to purchase products or services recommended by us or members of our Firm in connection with providing you with any advisory service that we offer.

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

We have adopted a Code of Ethics (the "Code") to address securities-related conduct. The Code focuses primarily on fiduciary duty, personal securities transactions, insider trading, gifts, and conflicts of interest. The Code includes our policies and procedures developed to protect your interests in relation to the following topics:

- The duty at all times to place your interests first;
- The requirement that all personal securities transactions be conducted in such a manner as to be consistent with the Code and to avoid any actual or potential conflict of interest or any abuse of an employee's position of trust and responsibility;
- The fiduciary principle that information concerning the identity of your security holdings and financial circumstances are confidential; and
- The principle that independence in the investment decision-making process is paramount.

We will provide a copy of the Code to you or any prospective client upon request.

We may recommend securities to you or buy or sell securities for your account at or about the same time we may buy or sell the same securities in our own account. As such, there may be instances where our interests may

appear to be placed ahead of yours. To mitigate this conflict, our firm policy prohibits us from receiving a better price on our order, if you and us invest in the same security on the same side of the market on the same day.

12. Brokerage Practices

As described in Item 10, our Advisory Representatives are also Registered Representatives of Royal Alliance, a FINRA registered broker-dealer. In order to meet its FINRA supervisory obligations, Royal Alliance requires that all investment advisory activities that we conduct be processed through Royal Alliance's clearing relationships with Pershing LLC ("Pershing"). As a result, we do not have the discretion to choose the broker-dealer or commission rates to be paid. However, we do believe that Pershing's blend of execution services, commission and transaction costs as well as professionalism will allow us to seek best execution and competitive prices.

In connection with the provision of Third Party Advisory Services, our choice of custodian will be limited to those choices offered by the Third Party Advisory Service.

We may aggregate your orders with those of other clients in a bunched trade or trades when securities are purchased or sold. For each account that we include in the bunched trade, we must reasonably believe that the bunched order is consistent with our duty to seek best execution and may benefit you and each client participating in the aggregated order. The average price per share of each bunched trade is allocated to each account that participates in the bunched trade. Accounts that participate in the same bunched trade are charged transaction costs, if applicable, in accordance with their advisory contracts.

If a bunched order cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated in a manner that is consistent with the initial pre-allocation. Partial fills will be allocated in a way that does not consistently advantage or disadvantage particular client accounts and are generally filled pro-rata among participating accounts.

If you do not offer V2A or another Legacy program where you, as Portfolio Manager, pick the individual investments, skip the two paragraphs above on trade aggregation and bunched orders and include the following instead:

The aggregation and allocation practices of mutual funds and third party managers that we recommend to you are disclosed in the respective mutual fund prospectuses and third party manager disclosure documents which will be provided to you.

13. Review of Accounts

Advisory Representatives review information about the client to determine whether a particular advisory program or investment strategy is suitable for that client. Clients are contacted periodically, as agreed between each Advisory Representative and client. The Advisory Representatives will then review and update each client's financial status, goals and objectives. Such contacts are for the purpose of determining what, if any information should be communicated to the Third Party Advisory Service managing the client's account. Advisory Representatives also assist clients in understanding and evaluating the services provided by such Third Party Advisory Services and whether the program remains suitable for the client. Clients will receive reports, generally quarterly, as set forth in their Third Party Advisory Service's program agreements and other disclosure materials. VISION2020 Advisor: Advisory Representatives using VISION2020 Advisor Program will periodically review their client accounts. Clients will be contacted as agreed upon by the Advisory Representative and client. The Advisory Representative will then review and update each client's financial status, goals and objectives. Clients in these programs will typically receive quarterly account statements. However, they may receive additional statements based upon activity in the account. Please refer to the applicable program brochure for further details. Investors participating in WealthCare Alliance, Inc. WealthCare Portfolios will receive monthly account statements (quarterly in Variable Annuity accounts) and transaction ledgers and quarterly reports showing the investment performance of their account.

14. Client Referrals and Other Compensation

As discussed previously, all our Advisory Representatives are Registered Representatives of Royal Alliance. This arrangement requires us to offer you advisory services and programs sponsored or approved by Royal Alliance. Royal Alliance sets limits on how much we can charge you for these advisory services. Some advisory programs have higher fee limits than others. As such, there may be an incentive for us to recommend to you advisory services or programs with higher limits. In addition, Royal Alliance may charge us certain usage fees and expenses to use their advisory programs which may decrease the amount of money we make when offering investment advice to you. Therefore, there may be an incentive to provide you with advisory programs and services that may be cheaper for us to use but not as suitable to your needs as other advisory programs that Royal Alliance sponsors which may be more expensive for us to use.

In addition, Royal Alliance offers our Advisory Representatives educational, training and incentive programs for those Advisory Representatives that meet certain sales production goals. There may be an incentive for us to manage your account in ways that assist us in meeting these production goals even if such strategies may not always be suitable for your account.

Certain Third Party Advisory Service programs may provide our Advisory Representatives with the opportunity to attend training or education conferences. Such conferences include the payment or reimbursement of travel, meals and lodging expenses for attendees. Payment/reimbursement of expenses is not contingent upon sales targets or contests, but rather on total assets managed on their respective Third Party Advisory Service platforms. We may have an incentive to recommend Third Party Advisory Service programs that provide us with the above referenced opportunities over those that do not.

When we offer you a Wrap Account, the fee for transactions executed in your account are included in your quarterly account fee. However, Royal Alliance will still assess the transaction charges to us. This may influence us to charge you a higher quarterly account fee than we would otherwise charge you in an effort to recoup from you the transaction charges Royal Alliance charges us. We may also have incentive to trade your account less often to lessen our transaction fees or to trade your account with certain securities where Royal Alliance reduces or eliminates the transaction charges (such as the Focus Elite and FundVest Programs mentioned below) to us even if such trading strategies may not always be suitable for your account.

Our Advisory Representatives participate in the Focus Elite and FundVest Programs, provided by Royal Alliance. In these programs, transaction charges for purchasing securities that participate in these programs may be reduced or waived. This may provide us with incentive to invest your account in these securities over securities that do not participate in these programs to reduce our transaction costs even if such investments may not always be suitable for your account.

Royal Alliance has provided some of our Advisory Representatives with funding in the form of loans as incentive to establish, maintain or expand our broker-dealer relationships with Royal Alliance. Such loans are typically used to assist in the transition and expansion of our practice. All or a portion of the loans require cash repayments of principal and interest if specific production levels are not achieved over a specified time frame. Any year in which the practice achieves its production levels initiates pro rata loan forgiveness by Royal Alliance. Thus, there may be an incentive for us to offer advisory services and programs to you that may not be suitable in an effort to achieve specific production levels.

Our choice of custodian may be influenced by the services that the custodians available to us provide but do not necessarily benefit your account. Such services include software and technology that assist in the management and administration of your account and a mix of services to manage and further develop our business. A conflict of interest may exist because when we evaluate whether to recommend or require that you custody your assets at Schwab, we 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 we consider and not solely factors that are beneficial to you such as nature, cost or quality of custody and brokerage services.

While our security sales are reviewed for suitability by an appointed supervisor, you should be aware of the incentives we have to sell certain securities products and are encouraged to ask us about any conflict presented.

15. Custody

Not applicable, we do not maintain custody of your assets. Your account assets are maintained at Pershing, LLC.

16. Investment Discretion

We may manage your accounts on a discretionary basis upon obtaining your consent. Your consent is typically granted and evidenced in the client agreement that you sign with us. We define discretion as: the ability to trade your account, without obtaining your prior consent, the securities and amount of securities to be bought or sold, and the timing of the purchase or sale. It does not extend to the withdrawal or transfer of your account funds. Discretion is offered in the RASA and V2A programs.

17. Voting Client Securities

We do not have the authority to vote proxies solicited by, or with respect to, the issuers of securities held in your account. Typically, proxy materials will be forwarded to you by our custodian. We will forward proxy materials that we may receive to you. Please contact us at any time with questions you may have regarding proxy solicitations.

18. Financial Information

In certain circumstances our Advisory Representatives may use investment discretion in your account, subject to your approval. We are well capitalized in full compliance with applicable regulations and do not foresee any financial conditions that may impair our fulfillment of reasonable obligations or contractual commitments to you.

19. Requirements for State-Registered Adviser

Not Applicable