

## FOCUS POINT SOLUTIONS, INC.

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This Brochure provides information about the qualifications and business practices of Focus Point Solutions, Inc. If you have any questions about the contents of this Brochure, you may contact us at (503) 445-1957 or [info@focuspointsolutions.com](mailto:info@focuspointsolutions.com) to obtain answers and additional information. Focus Point Solutions, Inc. is a registered investment adviser with the United States Securities and Exchange Commission (“SEC”). Registration of an investment adviser does not imply any level of skill or training. The information in this Brochure has not been approved or verified by the SEC or by any state securities authority.

Additional information about Focus Point Solutions, Inc. is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 Material Changes**

On July 28, 2010, the United State Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to Clients as required by SEC Rules. This Brochure dated March 31, 2011 is a new document prepared according to the SEC’s new requirements and rules. As such, this document is materially different in structure and requires certain new information that Form ADV Part II and Schedule F did not require.

In the future, this Item will discuss only specific material changes that are made to the Brochure and provide Clients with a summary of such changes. We will also reference the date of our last annual update of our Brochure. There have been no material changes since the last update to our Form ADV Part II and Schedule F, dated April 20, 2010.

We will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. We may further provide other ongoing disclosure information about material changes as necessary and will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting us at (503) 445-1957 or [info@focuspointsolutions.com](mailto:info@focuspointsolutions.com). Our Brochure is provided free of charge.

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#### Item 4 Advisory Business

- A** Focus Point Solutions, Inc. (“FPS”) is a SEC registered investment advisory firm located in Portland, Oregon. We provide turnkey asset management services and business solutions to independent and affiliated registered investment advisory firms (“RIA”). These services are delivered primarily, but not exclusively, to advisors who are transitioning their business from a commission-based model to a fee-based model. FPS operates transparently behind the scenes to support the RIA in building and operating an efficient business.

The firm has been in business since 2004 and registered with the SEC since 2004. The principal owner of the firm is Christopher K. Hicks.

- B, C** FPS offers the following services as a part of the turnkey business solution:

Asset management – We provide numerous asset allocation model portfolios based upon Modern Portfolio Theory. Our approach uses broadly diversified portfolios and a systematic strategy to manage investments. Our Asset Allocation Portfolios generally include mutual funds, exchange-traded funds, and exchange-listed equity securities. We may also include certificates of deposit, municipal securities, U.S. government securities and money market funds when suitable and appropriate.

See Item 8 for a description of the investment strategy.

These models are designed with varying risk return characteristics using multiple asset classes. The RIA may elect to utilize these models to manage their clients (an “End Client”) account. We provide detailed research and analysis on the model portfolios and communicate on a systematic daily, weekly, monthly, and quarterly basis with RIAs. We will make periodic recommendations regarding changes in the models for the RIA’s consideration. We do not have any relationship with the RIA End Clients and do not manage the accounts on behalf of those Clients. FPS, upon instructions from the RIA, will transmit appropriate instructions of changes to the custodian. Through their RIA, End Clients may impose reasonable restrictions on investing in certain securities or types of securities.

Fully outsourced virtual back office - We handle all initial account setup including tracking and follow-up of incoming transfers. On an ongoing basis, we handle all distributions, downloading, reconciliation, trading and rebalancing. The RIA has constant real time access to all End Client investment account information, including reporting capability, through this web-based system.

Training and presentation materials– We provide the RIA with training on Modern Portfolio Theory and on presentation materials to use with End Clients to teach this concept. The RIA has access to run customized Client presentations including an Investment Policy Statement.

Business consulting – We work with the RIA to help them develop an efficient business strategy. Areas of focus include improving time management and productivity, leveraging technology, increasing profitability, and creating more free time.

Strategic alliances – Through exclusive arrangements with various experts, we make available a support network to RIAs for marketing, compliance, and financial planning case writing.

We do not have discretionary authority over End Client funds. RIAs utilizing our services have the authority to decide whether to implement recommendations provided by us.

Individual advice and services are tailored by RIAs to the stated objectives of their End Client. The RIA discusses with an End Client in detail critically important information such as their risk tolerance, time horizon, and projected future needs, to formulate an investment policy. The RIA sends instructions to us in accordance with this policy which objectively and suitably guides the management of the End Client's account. RIAs meet with End Clients as needed to review portfolio performance, discuss current issues, and re-assess goals and plans.

We follow strict fiduciary standards, putting Clients' interests before our own and seeking to avoid conflicts of interest with Clients. We are compensated only by our Clients.

- D** We do not manage Wrap Fee programs.
- E** We manage \$70,000,000 of Client assets on a discretionary basis and \$0 of Client assets on a non-discretionary basis. This amount was calculated as of December 31, 2010.

## **Item 5 – Fees and Compensation**

- A** We provide turnkey asset management services and business solutions to independent investment advisory firms primarily under the following tiered fee schedule:

### **Total Client Assets under the RIA:**

Maximum Annual Wealth Management Retainer Fees:

- .50% on assets up to \$10,000,000
- .45% on assets between \$10,000,001 - \$15,000,000
- .40% on assets between \$15,000,001 - \$20,000,000

RIAs with over \$20,000,000 in Client assets are charged a flat .40% on all assets.

In some instances, RIAs may pay us a one-time set-up fee of up to \$100 per account. We provide the RIA, through a virtual office system, a quarterly invoice for each Client showing the value of the assets, amount of the fee, and how the fee was calculated. There may be a technology fee to the RIA for access to this virtual office system.

RIAs pay no commissions or trading fees on any discretionary trades initiated by us. However, RIAs will be charged up to \$35.00 for security and any mutual fund company imposed fees (e.g. short term redemption fees) for End Client directed trades.

Notwithstanding the above, fees are generally negotiable.

- B** The RIA must obtain authorization from the End Client to deduct fees from their accounts. The RIA then assigns this right to us. Fees are charged quarterly in arrears to RIAs. As a part of our service to RIAs, we will deduct the RIAs fee from End Client accounts, upon submission of an invoice to the custodian. We then deduct our fee from the total and forward the balance to the RIA. Payment of fees may result in the liquidation of End Client's securities if there is insufficient cash in the account. The fee is based on the market value of the End Client's account on the last trading day of the prior quarter.

Market value means the value of all assets in the account (not adjusted by any margin debit). To determine value, securities and other instruments traded on a market for which actual transaction prices are publicly reported shall be valued at the last reported sale price on the principal market in which they are traded (or, if there shall be no sales on such date, then at the mean between the closing bid and asked prices on such date). Other readily marketable securities and other instruments shall be priced using a pricing service or through quotations from one or more dealers. All other assets shall be valued at fair value by the RIA whose determination shall be conclusive.

The quarterly fee will be equal to the annual rate, times the market value of the account, divided by four. Fees for a partial quarter at the commencement or termination of an agreement will be prorated based on the number of days the account was open during the quarter. Quarterly fee adjustments for additional assets received into an account during a quarter or for partial withdrawals may also be provided as negotiated. We may modify the terms of the fee agreement by giving our Clients 30 days written notice in advance.

- C** RIAs do not incur any other services or fees in connection with our advisory services. Any administrative costs or fees are factored in to the fee schedule listed in Item 5A, above.
- D** RIA pay all investment advisory fees quarterly in arrears. As such there are never any prepaid fees to be refunded in the event of termination. Upon termination of any account any fees which have been earned by us but not yet paid will be immediately due and payable.

All service agreements may be terminated at any time by providing us with 15 days written notice. Upon termination, RIA is responsible for all applicable charges including, but not limited to, full quarterly account administrative fees

- E** We provide and facilitate sub-advisory services utilized by affiliates. We have entered into a sub-advisory agreement with Three G Financial, LLC ("Three G") which provides investment supervisory services for compensation to investment companies (the "Fund") registered under

the Investment Company Act of 1940 (see Item 10, below). We receive an annual fee equal to 0.25% of the Fund's average daily net assets. As sub-advisor, we conduct investment research, provide operational support to Three G and are responsible for coordinating the execution of the purchase and sale of securities for the Fund's portfolio, among other ministerial tasks. We also furnishes, at our own expense, all necessary administrative services, office space, equipment and clerical personnel for servicing the investments of the Fund.

Because our Asset Allocation Portfolios may include securities advised and/or supported by us or our Affiliates, this creates a potential conflict of interest. As such, if any of these securities are to be included in an Asset Allocation Portfolio utilized by an RIA, we will disclose this conflict first. RIAs utilizing our services have full discretion to decide whether to implement recommendations provided by us.

### **Item 6 – Performance-Based Fees and Side-By-Side Management**

We do not charge any performance-based fees for our services or engage in side-by-side management. Accordingly, this item is not applicable to our firm.

### **Item 7 – Types of Clients**

We provide turnkey asset management services and business solutions to Independent Advisors. We do not provide advice or services directly to any End Clients of those RIAs. The RIA has the sole responsibility of providing investment advice to their End Clients.

We also provide and facilitate sub-advisory services utilized by our Affiliates. See Item 10 (below) for information about our Affiliated Entities and Advisory Affiliates.

### **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss**

We create broadly diversified portfolios in the worldwide fixed-income and equity markets, combined with periodic rebalancing. RIAs complete a statement of investment policy with their End Client, outlining the investment philosophy, management procedures, and long-term goals. Portfolio design is tailored by RIAs to each End Client's risk tolerance and preferences. Fixed income and cash parts of portfolios emphasize safety of principal.

As part of our core investment approach, we offer advice on investments including (but not limited to) the following: Equity securities (e.g. Exchange-listed securities, Securities traded over-the-counter); Corporate debt securities; Commercial paper; Certificates of deposit; Municipal securities; Investment Company securities (e.g. Variable Life Insurance, Variable Annuities, Mutual Fund shares); and United States government securities.

The main sources of information we rely upon when researching and analyzing securities include traditional research materials such as financial newspapers and magazines, annual reports, prospectuses, filings with the SEC, as well as research materials prepared by others, and company press releases. We

also subscribe to various professional publications deemed to be consistent and supportive of our investment philosophy.

We primarily research and review securities using traditional technical, fundamental, and cyclical analysis. The primary investment strategies used to implement investment advice given to Clients include long-term (securities held at least one year) and short-term (securities sold within a year) purchases.

We use our best judgment and good faith efforts in rendering services to Clients. However, any investing in securities involves risk of loss that Clients should be prepared to bear. Not every investment decision or recommendation made by us will be profitable. We cannot warrant or guarantee any particular level of account performance, or that an account will be profitable over time.

Clients assume all market risk involved in the investment of account assets. Investments are subject to various market, currency, economic, political and business risks.

Except as may otherwise be provided by law, we are not liable to Clients for:

- any loss that a Client may suffer by reason of any investment decision made or other action taken or omitted in good faith by us with that degree of care, skill, prudence and diligence under the circumstances that a prudent person acting in a fiduciary capacity would use;
- any loss arising from our adherence to a Client's instructions, or the disregard of our recommendations to a Client; or
- any act or failure to act by a custodian of a Client's account.

It is the responsibility of the RIA to make sure we are provided complete information and to notify us of any changes in financial circumstances or goals of their End Client.

## **Item 9 – Disciplinary Information**

We are required to disclose all material facts regarding any legal or disciplinary event that would be material to your evaluation of our firm, or the integrity of our management. No principal or person associated with our firm has any information to disclose which is applicable to this Item.

## **Item 10 – Other Financial Industry Activities and Affiliations**

### **Affiliated Entities:**

We are affiliated through common ownership and control with CS Planning Corp. ("CSP"), The H Group, Inc. ("THG") and Three G Financial, LLC ("Three G"). CSP, Three G, THG, and FPS are all under common control of Christopher K. Hicks who is considered a control person of each firm because he holds more than 25% ownership interest in each firm.



CSP is an investment advisor registered with the Securities and Exchange Commission. CSP offers a wide range of financial planning and investment advisory services through numerous Advisor Affiliates to the firm.

THG is an investment advisor registered with the Securities and Exchange Commission. THG offers a wide range of financial planning and investment advisory services through numerous Advisory Affiliates to the firm.

Three G is an investment advisor registered with the Securities and Exchange Commission. Three G provides investment supervisory services for compensation to investment companies registered under the Investment Company Act of 1940. This affiliation creates a potential conflict of interest if one of these investment companies is recommended. Nonetheless, we and our Affiliates are committed to the fiduciary duty of Clients' best interests first.

We have arrangements with RIAs and our Affiliated entities where we provide certain services in regards to their End Client accounts. These services may include, but are not limited to the following:

- research,
- due diligence,
- reporting,
- portfolio analysis, and
- back office administration.

We generally do not have any direct contact with the End Clients of our RIAs or our Affiliates. We provide services directly to the RIAs and Affiliates and they are solely responsible for End Client accounts.

The End Clients of RIAs or our Affiliates authorize them to use us to service their account, including billing and the deduction of fees. Those End Clients agree to allow the RIA or our Affiliates to share non-public, personal information with us for the purpose of administering and managing their account. Our RIAs and our Affiliates require us to execute a confidentiality agreement and not share their End Clients' information with any unauthorized person or entity. The use of FPS will not cause End Clients to incur any additional fees. We deduct our fee from the total advisory fee charged to an End Client by an RIA or Affiliate. Our RIA's and Affiliates' fee schedules are disclosed to their End Clients in their Brochures.

The use of a third party service provider such as FPS creates a conflict of interest between our Affiliates and their End Clients. In order to mitigate this conflict of interest, our Affiliates conduct regular assessments to evaluate the continued use of all third party service providers. We and our Affiliates are committed to fulfilling our continuing fiduciary duty obligation of placing the interests of our Clients' first.

### Item 11 – Code of Ethics, Participation or Interest in *Client* Transaction & Personal Trading

- A** We have a Code of Ethics which all employees are required to follow. The Code of Ethics outlines our high standard of business conduct, and fiduciary duty to Clients. The Code of Ethics includes provisions relating to the confidentiality of Client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts, the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things.

A copy of the code of ethics is available to any Client or prospective Client upon request by contacting us at (503) 445-1957 [info@focuspointsolutions.com](mailto:info@focuspointsolutions.com). Brochures are provided free of charge.

- B, C, D** As stated under Item 10 (above) Three G provides investment supervisory services to registered investment companies. Our affiliation with Three G creates a potential conflict of interest if one of these investment companies is recommended to our Clients. However, we remain committed to our duty to put Clients' best interests first. If an investment company is to be bought or sold for a Client's account, and this investment company receives investment supervisory services from Three G, we will disclose this conflict to the RIA first.

FPS or individuals associated with our firm may buy and sell some of the same securities for their own account that we buy and sell for the End Clients of RIAs or our Advisory Affiliates. When appropriate we will purchase or sell securities for these End Clients before purchasing the same for our account or allowing representatives to purchase or sell the same for their own account. In some cases we or our representatives may buy or sell securities for our own account for reasons not related to the strategies adopted for the End Clients. Our employees are required to follow the Code of Ethics when making trades for their own accounts in securities which are recommended to and/or purchased for the RIA accounts. The Code of Ethics is designed to assure that the personal securities transactions will not interfere with decisions made in the best interest of our Clients while at the same time, allowing employees to invest their own accounts.

We will disclose any material conflict of interest relating to us, our representatives, or any of our employees which could reasonably be expected to impair the rendering of unbiased and objective advice.

As any advisory situation could present a conflict of interest, we have established the following restrictions to ensure our fiduciary responsibilities:

1. A director, officer, associated person, or employee of FPS shall not buy or sell securities for his personal portfolio where his decision is substantially derived, in whole or in part, by reason of his employment unless the information is also

available to the investing public on reasonable inquiry. No person of FPS shall prefer his or her own interest to that of any End Client.

2. We maintain a list of all securities holdings for the firm and for anyone associated with its advisory practice who has access to advisory recommendations. An appropriate officer reviews these holdings on a regular basis.
3. Any individual not in observance of the above may be subject to termination.

## **Item 12 – Brokerage Practices**

- A** End Client assets are held by independent third-party qualified custodians. Except to the extent an End Client, through their RIA or Advisory Affiliate directs otherwise, we may use our discretion in recommending the broker-dealer. The RIA is not obligated to effect transactions through any broker-dealer recommended by us, however we reserve the right to decline acceptance of any account which directs the use of a particular broker if we believe that this choice would hinder either our fiduciary duty to the RIA or our ability to service the account.

In recommending broker-dealers, we will comply with its fiduciary duty to seek best execution and with the Securities Exchange Act of 1934. We will take into account such relevant factors as:

- Price;
- The custodian's facilities, reliability and financial responsibility;
- The ability of the custodian to effect transactions, particularly with regard to such aspects as timing, order size and execution of order;
- The research and related brokerage services provided by such custodian to us, notwithstanding that the account may not be the direct or exclusive beneficiary of such services; and
- Any other factors that we consider to be relevant.

- B** We may aggregate trades for Clients. The allocations of a particular security will be determined by us before the trade is placed with the broker. When practical, trades in the same security will be bunched in a single order (a "block") in an effort to obtain best execution at the best security price available. When employing a block trade:

- We will make reasonable efforts to attempt to fill orders by day-end.
- If the block order is not filled by day-end, we will allocate shares executed to underlying accounts on a pro rata basis, adjusted as necessary to keep Client transaction costs to a minimum.
- If a block order is filled (full or partial fill) at several prices through multiple trades, an average price and commission will be used for all trades executed;

- All participants receiving securities from the block trade will receive the average price.
- Only trades executed within the block on the single day may be combined for purposes of calculating the average price.

It is expected that this trade aggregation and allocation policy will be applied consistently. However, if application of this policy results in unfair or inequitable treatment, we may deviate from this policy.

### **Item 13 – Review of Accounts**

- A,B** Each RIA has a contractual relationship with their End Client and determines the review policies within their firm. We provide web-based access for the RIA to review all their End Clients' accounts and to provide extensive reporting to their End Clients as they desire. We provide analysis and reporting to the RIA on a daily, weekly, monthly, and quarterly basis regarding model portfolios and recommended holdings.
- C.** The independent custodian provides the RIAs' End Clients a monthly statement reflecting current positions, purchases and sales, and all other activity in the account.

### **Item 14 – *Client* Referrals and Other Compensation**

We may indirectly receive additional compensation if Client assets are placed in a Fund where an affiliated entity provides investment supervisory services for compensation. See Items 5E and 10, above.

### **Item 15 – Custody**

With the exception of our ability to debit fees, we do not otherwise have custody of the assets in the account.

We shall have no liability to any person for any loss or other harm to any property in the account, including any harm to any property in the account resulting from the insolvency of the custodian or any acts of the agents or employees of the custodian and whether or not the full amount or such loss is covered by the Securities Investor Protection Corporation ("SIPC") or any other insurance which may be carried by the custodian.

End Clients receive standard account statements from the custodian of their accounts on a monthly or quarterly basis.

### **Item 16 – Investment Discretion**

Generally, we do not have discretionary authority to execute investment recommendations. Non-discretionary authority requires us to obtain prior approval of each specific transaction prior to executing the investment recommendations.

### **Item 17 – Voting *Client* Securities**

- A** We do not vote proxies or provide advice to Clients on how the Client should vote proxies.
- B** We do not have authority to vote Client securities. Clients will receive proxies and other solicitations directly from the custodian or transfer agent. If any proxy materials are received on behalf of a Client, they will be sent directly to the Client or a designated representative of the Client, who is responsible to vote the proxy.

### **Item 18 – Financial Information**

- A** We do not require advisory management fees to be paid in advance.
- B** We do not have discretionary authority over Client funds or securities. Regardless, we have no financial commitments that would impair our ability to meet contractual and fiduciary commitments to Clients.
- C** Neither FPS, nor any of the principals, have been the subject of a bankruptcy petition at any time in the past. We have no financial conditions that would impair our ability to meet contractual commitments to our Clients.