

Hokanson|associates

Part 2A of Form ADV: *Firm Brochure*

March 2012

Item 1

This brochure provides information about our qualifications and business practices. If you have any questions about the contents of this brochure, please contact us at (858) 755-8899 or ha@hokansonassociates.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

Additional information about us is also available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by using our firm's unique identifying CRD number – 104617, or by our name: "Hokanson Associates".

Item 2 - Material Changes

We have previously provided you with our expanded and narrative Firm Brochure Form ADV 2A and Form ADV 2B Brochure Supplements. Our Firm brochure describes our firm's advisory services, investment processes, fees, affiliations, conflicts and other information. Our Brochure Supplements describe our firm's investment professionals who will be providing advisory services on behalf of our firm.

Each year we will be informing you of any material changes to the Brochure and Supplement per SEC rules. Since the last annual update of our brochure (March 2011) Hokanson Associates has no material changes to report.

Consistent with the new rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures annually within 120 days after the end of our fiscal year. Furthermore, we will provide you with other interim disclosures about any material changes, should that be necessary.

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Item 4 - Advisory Business

Hokanson Associates, Inc. (a California Corporation) is an SEC-registered investment advisor with its offices located at 201 Lomas Santa Fe Drive, Suite 360, in Solana Beach, California. We began conducting business as a firm in 1984. Neil Hokanson is our principal shareholder (i.e., those controlling 25% or more of the company).

We offer the following advisory services:

Wealth Management Services

We typically consider wealth management services to include the combination of our investment management and financial planning services. Each of these two disciplines can and should complement and optimize the other to better assist our clients in the achievement of their financial goals. These services are described below.

Investment Management Services

We provide our clients with continuous investment advice and management of a diversified portfolio based on your individual needs and goals for income, safety and growth of capital. Through personal discussions and the gathering and analysis of relevant information, we seek to understand your investment goals and objectives, considering both your resources and constraints. Then, together, we work with you to develop an appropriate investment strategy. We then develop, implement and manage your portfolio based on that strategy, and we report to you on a regular basis and are available for meetings as needed.

We manage our advisory accounts on a discretionary basis. In other words, we make trades without discussing each one with you beforehand, but your stated objectives guide our actions. You may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Our investments for your portfolio typically are allocated to, but not limited to:

- Common stock (exchange-listed and/or over-the-counter domestic and foreign issues)
- Preferred stock
- Exchange Traded Funds (ETFs)
- Open or closed-end mutual funds, including money market funds
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Municipal securities
- United States government securities
- Foreign government securities
- Certificates of deposit (CDs)
- Warrants
- Rights

While we do not sell or recommend variable annuities, in certain instances we are able to manage the investments within an existing variable annuity.

Financial Planning Services

We offer our clients comprehensive financial planning advice as well. We believe that it is important to holistically review the spectrum of financial decisions our clients are faced with and to assist them in optimizing each of these decisions in the ways that best achieve their overall financial planning objectives and needs as they evolve over time.

In general, our financial planning advice may address any or all of the following areas:

- **Strategy** - We help you define and prioritize your personal goals, both short-term and long-term, so that we can together develop appropriate financial planning strategies and assist you in their accomplishment.
- **Tax and Cash Flow** – We often help our clients create and monitor a personal balance sheet and cash flow statement to help us understand your situation and advise you, and to monitor your progress and changes over time. We also typically review your tax filings to further deepen our understanding of your finances, and to allow us to advise you and work with your tax professionals more effectively.
- **Financial Independence Planning** – With your goals and resources in mind, we craft a plan to help you build assets to provide for your needs for the remainder of your life. We attempt to answer questions such as, “when can I stop working?”, “what will it take to get there?” and “how should my strategy evolve as my needs change?”
- **Investments** – We review your investment portfolio to make sure that your investment strategy remains appropriate to your goals. This review may include other types of investments (such as real estate) or investments you hold elsewhere for which we are not directly responsible.
- **Risk Management\Insurance** - We review existing policies to ensure that you have proper and cost-effective coverage for life, health, disability, long-term care, liability, home and automobile when and where you deem it appropriate.
- **Estate Planning** - We assist you in evaluating your family, charitable and tax options and strategies within the context of your estate planning, providing a financial planning perspective on a wide spectrum of estate planning tools and techniques that may be appropriate to your circumstances.
- **Charitable Gift Strategies** – We assist many clients in identifying the best ways to achieve their philanthropic goals with intelligent, tax-efficient giving strategies.
- **Other** – We assist clients in a wide range of other areas such as education funding, business sale and succession planning, executive compensation, pension planning &

evaluating outside investments, to name a few such areas where we assist clients.

Our advice “deliverables” are generally in writing, though in some cases they may simply consist of a conversation with you. We always encourage the integration of advice and counsel from your other financial professionals such as your attorney, CPA, actuary, insurance agent or others. We think our clients are best-served when they have a “team” of independent professionals working on their behalf. In the final analysis, however, you are the decision maker. Implementation of any financial planning recommendations is entirely at your discretion.

We do not work for or represent any broker-dealer (securities brokerage firm), insurance company or agency, or investment product company of any kind. We do not hold securities or insurance licenses nor do we sell any type of security or product. We are committed to being 100% independent and we work only for one employer - our clients.

Managed Assets

As of December 31, 2011 we were actively managing \$409,113,199 of clients' assets on a discretionary basis.

Item 5 - Fees and Compensation

Wealth Management Fee

We charge a single comprehensive wealth management fee. This fee includes the following:

- A. Investment Management Services - management of one or more of your investment portfolios for which we have discretionary investment management responsibilities;
- B. Financial Planning Services – may include but are not limited to any or all of the following: personal goal development, cash and tax flow planning, financial independence planning, advice on other investments outside of those under Section A above, risk management\insurance, estate, charitable and gifting strategies; and
- C. Any and all normal and customary professional fees, materials costs, meetings, correspondence, reports, newsletters, client communications and phone conversations with you and your other professional advisors associated with Sections A and B above.

Our wealth management fees for the above services A, B, and C, is billed quarterly, in arrears. This means that we charge after we complete the work. We charge this fee for the above services based on a percentage of assets under management, according to the following schedule:

Assets up to \$2,000,000 are billed at 1% annually*

Additional assets over \$2,000,000 up to \$5,000,000 are billed at .50 of 1% annually

Additional assets over \$5,000,000 up to \$10,000,000 are billed at .40 of 1% annually

Additional assets over \$10,000,000 up to \$20,000,000 are billed at .30 of 1% annually

Additional assets over \$20,000,000 up to \$50,000,000 are billed at .20 of 1% annually

Additional assets over \$50,000,000 are billed at .10 of 1% annually

*Minimum annual wealth consulting fee - \$12,000

With your prior written approval, we typically debit our fee each quarter directly from your account, after sending you the invoice that we include in your Quarterly Investment Report. You can also choose to be billed directly by mail and pay from an alternative source.

Limited Negotiability of Advisory Fees

Although we have established the aforementioned fee schedule and it is not our practice to make exceptions, we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining an exception. As our minimum account size and fee schedule have changed from time to time, clients who joined us at different points in time may be subject to some variation in this regard.

Other Fees You May Incur not Related to Our Services

In addition to our advisory fees, you are also responsible for the fees and expenses charged by custodians and imposed by broker-dealers, including, but not limited to, transaction charges to buy and sell securities, and management fees charged by mutual funds and exchange traded funds for their services. Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

ERISA Accounts

We are deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code") respectively. As such, we are subject to specific duties and obligations under ERISA and the Code that include, among other things, restrictions concerning certain forms of compensation.

Advisory Fees in General

You should note that similar advisory services may (or may not) be available from other registered investment advisors for similar, higher or lower fees. Advisory fees may or may not be tax deductible, depending on your particular tax circumstances and the characteristics of the accounts we are managing on your behalf.

Prepayment of Fees:

Under no circumstances do we require or solicit payment of fees in advance of services rendered.

Commissions

We do not receive any compensation related to the sale of a security or other investment product (e.g., brokerage commissions).

Termination of the Advisory Relationship

A client agreement may be terminated at any time, by either party, for any reason upon receipt of written notice. Should that occur, we send a final report and a prorated bill for the time that wealth management services were provided up to the point of termination.

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

Hokanson Associates does not charge performance-based fees. We believe the conflicts created by this method of compensation can incentivize a level of risk-taking by an investment advisor that is not appropriate for the needs of most investors.

Item 7 - Types of Clients

Hokanson Associates provides advisory services to the following types of clients:

- High-net-worth individuals and their families
- Individuals (other than high-net-worth individuals)
- Pension and profit sharing plans (other than plan participants)
- Charitable organizations
- Corporations or other businesses not listed above

Generally, we have a \$12,000 minimum fee for wealth management services. In order to have a maximum one percent fee, that would equate to a \$1,200,000 minimum account size. We may take an account below \$1,200,000 but would disclose that the fee will be more than one percent. From time to time, we will make an exception to the \$12,000 minimum fee, but only after our Exception Committee approves it.

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

Methods of Analysis

We use a combination of the following methods of analysis in formulating our investment advice and/or managing your assets:

Fundamental Analysis. We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market, regardless of the economic and financial factors considered in evaluating the stock.

Technical Analysis. We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement.

Technical analysis does not consider the underlying financial condition of a company. This

presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

Cyclical Analysis. In this type of analysis, we evaluate the outlook of companies or industries that tend to experience more pronounced periods of expansion and contraction in both demand for their goods and services and in the behavior of their underlying securities. Cyclical analysis is subject to risks outside our control in such areas as sovereign monetary or fiscal policies and commodity prices.

Quantitative Analysis. We use mathematical models in an attempt to obtain more accurate measurements of a company's quantifiable data, such as the value of a share price or earnings per share, and predict changes to that data.

A risk in using quantitative analysis is that the models used may be based on assumptions that prove to be incorrect.

Qualitative Analysis. We subjectively evaluate non-quantifiable factors such as quality of management, labor relations, customer feedback and strength of research and development factors not readily subject to measurement, and attempt to predict changes to the share price based on that data.

A risk in using qualitative analysis is that our subjective judgment may prove incorrect.

Asset Allocation/Diversification. Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of stocks, fixed income, and cash suitable to the client's investment goals and risk tolerance.

A risk of asset allocation/diversification is that the client may not participate in sharp increases in, for instance, a particular security, industry or market sector. Another risk is that the ratio of stocks, fixed income, and cash will change over time due to stock and market movements and, if not adjusted, may no longer be as appropriate for the client's goals.

Mutual Fund and/or ETF Analysis. When we consider the use of a fund for your portfolio, rather than individually selected securities, we look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest successfully over a period of time and in different economic conditions. We look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy, and if their fees are reasonable. We will employ a fund when we believe it is more suitable than the use of one or more individually selected securities.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying

investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

Risks for all forms of analysis. Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly available sources of information about these securities, are providing accurate and unbiased data. Because we rely on third party data that we cannot directly verify, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

Investment Strategies

We use the following strategy(ies) in managing your account(s), provided that such strategy(ies) is appropriate to your needs and consistent with your stated investment objectives:

Long-term purchases. We purchase securities that we believe to be currently undervalued and/or want exposure to a particular asset class over time regardless of the current valuation with the idea of holding them in your account(s) for a year or longer.

Risk associated in a long-term purchase strategy is that we may not take advantage of short-term situations that could be profitable. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

Short-term purchases. When using this strategy, we purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase. We generally use this approach less frequently than long-term purchases.

Risk associated in a short-term purchase strategy is that we may sell a security too soon and not capture all of the upside profit potential. In addition, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

Risks for all types of investment strategies. Securities investments are not guaranteed and you may lose money on your investments.

Item 9 - Disciplinary Information

We are required to disclose any legal or disciplinary events that are material to your evaluation of our advisory business or the integrity of our management. Our firm and our management personnel have no reportable disciplinary events to disclose.

Item 10 - Other Financial Industry Activities and Affiliations

We are solely focused on the business of wealth management for our clients. We are not involved in any other business activities, nor are we affiliated with other businesses.

Because we are involved in many aspects of our clients' lives, we often make referrals to, but not limited to, accountants, attorneys, insurance brokers, private fiduciaries, etc. At times, some of these professionals refer clients to us as well. We do not have any compensation arrangements, quid pro quo referral arrangements and are not affiliated with these professionals in any way.

Neil Hokanson is currently a member of the Charles Schwab Institutional Advisory Board. This commitment is for a period of three years. His job on this advisory board is to represent the registered investment advisor community to Charles Schwab & Co., Inc. ("Schwab"). We currently use Schwab as our custodian for your assets. Neil is reimbursed for expenses associated with service on this board and receives no income for his services. In no way does this bind us to use Schwab as a custodian. Hokanson Associates is independently owned and operated and not affiliated with Schwab in any way.

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

We have adopted a Code of Ethics that sets forth high ethical standards of business conduct, including compliance with applicable federal securities laws. We are considered fiduciaries under the law. This obligation requires us to put your interests before our own. In addition to being the law, we believe it is the right way and the only way for us to conduct our business.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any purchase of a private placement security or an initial public offering. Our code also includes provisions for oversight, enforcement and recordkeeping.

Our Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

You may request a copy of our Code by emailing us at ha@hokansonassociates.com, or by calling us at (858) 755-8899.

Our Code of Ethics is designed to assure that personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in your best interest and (ii) implementing such decisions while, at the same time, allowing us to invest for our own accounts.

We may buy or sell securities identical to or different from those recommended to you in our personal accounts. It is our expressed policy that we may not purchase or sell any security prior to a planned transaction(s) being implemented for you. Your interests always come first.

Item 12 - Brokerage Practices

It is our policy to seek a combination of execution price and related services that is optimum for you. Our view is that there currently is a very limited variation in equities transaction pricing. We look at a combination of custodian features such as transaction costs, financial strength, ability to execute a variety of trades and absence of errors, research capabilities, security of data and confidential records, ability to provide liquidity for share positions, online account access for clients, accurate data and operational capabilities for us, etc. We use our best efforts to obtain the most favorable price and market for execution, but cannot guarantee that the price will always represent the lowest price and/or transaction cost available at the time. With respect to fixed income securities, we do find more variation in pricing, and we seek to exploit this to the advantage of our clients where practicable. We do this by “shopping” bond prices among competing securities firms where and when it makes sense to do so.

Broker Selection

At this point in time, we feel the Schwab Institutional (Schwab Advisor Services) division of Charles Schwab & Co., Inc. ("Schwab"), a FINRA registered broker-dealer, member SIPC, best meets our criteria as described above. Therefore, unless you specify otherwise in writing and we approve, we will establish your brokerage accounts with Schwab to maintain custody of your assets and to effect trades for your account(s). Although we recommend that you establish your account(s) at Schwab, it is ultimately your decision. Hokanson Associates is independently owned and operated and not affiliated with Schwab in any way. Schwab is the largest provider of custody services to independent advisors in the United States.

Schwab provides us with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor's client assets are maintained in accounts at Schwab. We do not commit to Schwab any specific amount of business (assets in custody or trading commissions). Schwab's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

Schwab generally does not charge separately for custody services but is compensated by commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab also makes available other products and services that benefit us but may not directly benefit our client accounts. Many of these products and services may be used to service all or some substantial number of our client accounts, including accounts not maintained at Schwab.

Schwab's products and services that assist us in managing and administering our client accounts include software and other technologies that:

1. provide access to client account data (such as trade confirmations and account statements);
2. facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
3. provide research, pricing and other market data;
4. facilitate payment of our fees from clients' accounts; and
5. assist with back-office functions, recordkeeping and client reporting.

Schwab also offers other services intended to help us manage and further develop our business enterprise. These services may include:

- i. compliance, legal and business consulting;
- ii. publications and conferences on practice management and business succession; and
- iii. access to employee benefits providers, human capital consultants and insurance providers.

Schwab may make available, arrange and/or pay third-party vendors for these types of services. Schwab may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to our firm. Schwab may also provide other benefits such as educational events or occasional business entertainment for one or more of our employees. In evaluating whether to recommend or require that clients custody their 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 on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

Most trades will be executed through Schwab. In some cases, we will execute trades through another broker-dealer. This typically happens because we can get a better price on a bond, or the security is not readily available through Schwab. There are certain regulatory financial criteria for you to be eligible for this "prime brokerage" service. You will pay a transaction fee to both Schwab and the executing broker. We usually will only use this service if it ends up being more beneficial for you after taking any such fees into account. Even though such a security is purchased through another broker-dealer, the assets will remain custodied at Schwab.

Directed Brokerage

We may accept your instructions for directing your transactions to a particular broker-dealer. This instruction must be done in writing. However, if we accept this instruction, we will not negotiate commissions, may not be able to obtain volume discounts or aggregate directed transactions, and commissions may vary and best execution may not be obtained.

Trading\Trade Aggregation

We will seek to group client trades when possible and appropriate. Block trading allows us to aggregate orders for multiple client accounts into one for the same security, so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block.

Block trading may allow us to execute equity trades in a more timely and equitable manner. Hokanson Associates will typically aggregate trades among clients whose accounts can be traded

at Schwab. We follow our block trading policy and procedures when making these types of trades. Our goal is to make certain that one client account is not treated differently than another.

If you impose certain restrictions on us, we may not be able to include your account(s) in block trading.

Cross-Trades

It is possible that we will sometimes make what we call a “cross-trade,” which we define as the purchase of a fixed income security for one of our client accounts from another of our client accounts. This happens only when we believe that such a transaction would produce a better result for both parties involved, such as when we believe one client owns too much of a particular security or security type while another client does not have enough exposure to this security. We are never the broker on a cross-trade transaction and Schwab or another broker-dealer facilitates the transaction and establishes the “cross” price, which we are free to accept or reject.

Item 13 - Review of Accounts

Investment Management Services

Reviews: While the underlying securities, liquidity needs, market conditions, interest rates and economic and political developments are continually monitored, your accounts are reviewed at least monthly in the context of your stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as your individual circumstances, the market, or the political or economic environment.

The portfolio managers are the primary reviewers of your account(s), market conditions, portfolio performance, investment trends, etc. The portfolio managers are:

Neil Hokanson, President;
Mark Petrie, Vice President; and
William Chenoweth, Portfolio Manager

Reports: In addition to the monthly statements and confirmations of transactions that you receive from Schwab, we provide Quarterly Investment Reports summarizing balances and holdings and summary tax information. Annually, we provide audited (by a third party) performance and tax summary information.

Financial Planning Services

Reviews: Reviews will be specific to your personal situation.

Reports: Reports will be specific to your personal accounts.

Item 14 - Client Referrals and Other Compensation

It is our policy *not* to engage solicitors or to pay anyone for referring potential clients to our firm. Additionally, it is our policy *not* to accept or allow our employees to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients. We believe that to do so would compromise our independence on behalf of our clients.

Prior to 2006, we participated in Schwab's advisor referral program. Per contractual agreement, we continue to pay a portion of our advisory fee generated by clients referred by Schwab while we were active in the referral program to Schwab. We chose to discontinue participation in Schwab's referral program in 2006.

Item 15 - Custody

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that we directly debit advisory fees from client accounts.

As part of this billing process, we advise Schwab of the amount of the fee to be deducted from your account quarterly. On at least a quarterly basis, Schwab is *required* to send you a statement showing all transactions within the account during the reporting period. Because Schwab does not calculate the amount of the fee to be deducted, it is important for you to carefully review their custodial statements to verify the accuracy of the calculation, among other things. You should contact us directly if you believe that there may be an error in your statement(s).

In addition to the monthly statements that you receive directly from Schwab, we also send quarterly account statements directly to you. We urge you to carefully compare the information provided on these statements to ensure that all account transactions, holdings and values are correct and current. We do not have actual or constructive custody of your assets.

Item 16 - Investment Discretion

You hire us to provide discretionary investment management services. We determine which securities and the quantity to be bought or sold. Then we place the trades in your account without contacting you prior to each trade to obtain your permission.

You give us discretionary authority when you sign our Wealth Management Agreement with us. You may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Item 17 - Voting Client Securities

We typically vote proxies for your account(s). However, you always have the right to vote

proxies yourself. You can exercise this right by instructing us in writing not to vote proxies in your account(s).

We will vote proxies in your best interest and in accordance with our established policies and procedures. We retain all proxy voting books and records for the requisite period of time, including a copy of each proxy statement received, a record of each vote cast, a copy of any document created by us that was material to making a decision how to vote proxies, and a copy of each written client request for information on how the advisor voted proxies.

You may obtain a copy of our complete proxy voting policies and procedures by contacting us by telephone, email, or in writing. You may request, in writing, information on how proxies for your shares were voted. We will promptly provide such information to you.

We will neither advise nor act on your behalf in legal proceedings involving companies whose securities are held in your accounts, including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, you may direct us to transmit copies of class action notices to a third party. Upon such direction, we will make reasonable efforts to forward such notices in a timely manner.

With respect to ERISA accounts, we will not vote proxies unless the plan documents specifically reserve the plan sponsor's right to vote proxies. To direct us to vote a proxy in a particular manner, clients should contact us by telephone, email, or in writing. You can instruct us to vote proxies according to particular criteria (for example, to always vote with management, or to vote for or against a proposal to allow a so-called "poison pill" defense against a possible takeover). These requests must be made in writing. You can also instruct us on how to cast your vote in a particular proxy contest by contacting us.

Item 18 - Financial Information

Under no circumstances do we require or solicit payment of fees in advance for services rendered, therefore, we are not required to include a financial statement in this Brochure. We are required to disclose any financial condition that is reasonable and likely to impair our ability to meet our contractual obligations. We have no additional financial circumstances to report and have not been the subject of a bankruptcy petition at any time during the past ten years.