

# Dolan Financial Corporation

SEC File Number: 801 – 24638

## **Brochure Dated 5/23/2012**

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This brochure provides information about the qualifications and business practices of Dolan Financial Corporation. If you have any questions about the contents of this brochure, please contact us at (301) 495-5900 or [DFC@dolanfinancial.com](mailto:DFC@dolanfinancial.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 Dolan Financial Corporation also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

References herein to Dolan Financial Corporation as a “registered investment adviser” or any reference to being “registered” does not imply a certain level of skill or training.

## **Item 2           Material Changes**

There have been no material changes made to Dolan Financial Corporation's disclosure statement since last year's Annual Amendment filing.

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#### Item 4            Advisory Business

- A. Dolan Financial Corporation (the “Registrant”) is a corporation formed on May 6, 1985 in the state of Maryland. The Registrant became registered as an Investment Adviser Firm on June 14, 1985. The Registrant is owned by John F. Dolan who is also the Registrant’s President.
- B. As discussed below, the Registrant offers to its clients (individuals, business entities, trusts, estates and charitable organizations, etc.) investment advisory services, and, to the extent specifically requested by a client, financial planning and related consulting services.

##### **INVESTMENT ADVISORY SERVICES**

The client can determine to engage the Registrant to provide discretionary investment advisory services on a *fee-only* basis. In providing investment advisory services, the Registrant retains discretionary authority over the client's assets under management. The client and the Registrant determine which assets are to be managed as well as the Recommended/Target positions for these assets. The assets to be managed by the Registrant are allocated to specific Recommended/Target positions in an asset category such as U.S. Stocks, Interest Sensitive Investments, Natural Resources, etc. At the discretion of the Registrant, assets are then transferred between investment positions and money market funds or from one investment position to another.

The Registrant’s annual investment advisory fees are calculated based upon the Recommended/Target positions of the assets under management and the specific fee category into which they fall. When the client and the advisor have identified the assets which will be under management and the Recommended/Target positions for those assets, the Registrant assigns these individual investment assets to one of the specific fee categories developed by the registrant and described under Item 5.A below.

##### **FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)**

To the extent specifically requested by a client, the Registrant *may* determine to provide financial planning and/or consulting services (including investment and non-investment related matters, such as estate planning, insurance planning, retirement planning, etc.) on a stand-alone separate fee basis. Prior to engaging the Registrant to provide planning or consulting services, clients are generally required to enter into a *Financial Planning Agreement* with the Registrant setting forth the terms and conditions of the engagement (including termination). If requested by the client, the Registrant may recommend the services of other professionals for implementation purposes. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from the Registrant. **Please Note:** If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. **Please Also Note:** It remains the client’s responsibility to promptly notify

the Registrant if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising the Registrant's previous recommendations and/or services.

## MISCELLANEOUS

**Non-Investment Consulting/Implementation Services.** As described above and to the extent requested by the client, the Registrant *may* provide consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance planning, etc. Neither the Registrant, nor any of its representatives, serves as an attorney, accountant, or licensed insurance agent, and no portion of the Registrant's services should be construed as same. To the extent requested by a client, the Registrant may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, licensed insurance agents, etc.). The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from the Registrant. **Please Note:** If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. **Please Also Note:** It remains the client's responsibility to promptly notify the Registrant if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Registrant's previous recommendations and/or services.

**Please Note: Inverse/Enhanced Market Strategies.** The Registrant may utilize long and short mutual funds that are designed to perform in either an: (1) inverse relationship to certain market indices (at a rate of 1 or more times the inverse [opposite] result of the corresponding index) as an investment strategy and/or for the purpose of hedging against downside market risk; and (2) enhanced relationship to certain market indices (at a rate of 1 or more times the actual result of the corresponding index) as an investment strategy and/or for the purpose of increasing gains in an advancing market. There can be **no assurance** that any such strategy will prove profitable or successful. In light of these enhanced risks/rewards, a client may direct the Registrant, in writing, not to employ any or all such strategies for his/her/their/its accounts.

**Please Note: Cash Positions.** At any specific point in time, depending upon perceived or anticipated market conditions/events (there being **no guarantee** that such anticipated market conditions/events will occur), the Registrant may maintain high cash positions for defensive purposes. The Registrant's fee is based upon Recommended/Target positions (versus Current investment positions) for the individual investment assets under management. Therefore, the fact that at any specific point in time the client may have more or less of their Current position in cash positions will not affect the calculation of the Registrant's fee for investment advisory services.

**Client Obligations.** In performing its services, the Registrant shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify the Registrant if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising the Registrant's previous recommendations and/or services.

**Disclosure Statement.** A copy of the Registrant's written Brochure as set forth on Part 2A of Form ADV shall be provided to each client prior to, or contemporaneously with, the execution of the *Asset Management Agreement* or *Financial Planning Agreement*.

- C. The Registrant shall provide investment advisory services specific to the needs of each client. Prior to providing investment advisory services the investment adviser representative will ascertain each client's investment objective and will confirm the risk/performance targets for the managed portfolio. Thereafter, the Registrant will manage the client's portfolio consistent with the designated investment objective(s) and risk/performance targets. The client may, at anytime, impose reasonable restrictions, in writing, on the Registrant's services.
- D. The Registrant does not participate in a wrap fee program.
- E. As of December 31, 2011, the Registrant had \$48,812,523 in assets under management on a discretionary basis.

## **Item 5            Fees and Compensation**

- A. The client can determine to engage the Registrant to provide financial advisory services on a *fee-only* basis.

### **INVESTMENT ADVISORY SERVICES**

The client can determine to engage the Registrant to provide discretionary investment advisory services on a *fee-only* basis. The Registrant's annual investment advisory fees are calculated based upon the Recommended/Target positions of the assets under management and the specific fee category into which they fall. When the client and the advisor have identified the assets which will be under management and the Recommended/Target positions for those assets, the Registrant assigns these individual investment assets to one of the specific fee categories developed by the Registrant and listed below.

These fee categories are: Constant Cash, Client Managed Assets, Static Assets, and All Other Assets. Assets assigned to Recommended/Target positions in the Constant Cash and Client Managed Assets categories entail no management responsibilities on the part of the Registrant. No management fees will be charged on these assets. Assets assigned to Recommended/Target positions in the Static Assets category are generally those that are unlikely to be frequently traded by the Registrant (Treasury Bonds for example) or unable to be frequently traded because of restrictions imposed by the issuer of the security. Fees for the management of investments in this category will be 0.125% per quarter (0.5% annualized). Fees for the management of assets allocated to Recommended/Target positions in the All Other Assets category will be at the rate of 0.375% per quarter (1.5% annualized).

### **FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)**

To the extent specifically requested by a client, the Registrant *may* determine to provide financial planning and/or consulting services (including investment and non-investment related matters, such as estate planning, insurance planning, retirement planning, etc.) on a stand-alone separate fee basis. The Registrant's planning and consulting fees are

currently \$200 per hour for professional time and \$75 per hour for administrative time and are not negotiable.

The Registrant offers its *Financial Planning & Consulting* services on an hourly rate basis. The Registrant generally does not require any prepayment for its *Financial Planning & Consulting* services. Instead, the Registrant typically invoices clients after services are rendered. Clients can either pay the invoice with a check or can authorize a direct debit from one of their advisory accounts.

- B. Clients may elect to have the Registrant's advisory fees deducted from their custodial account. The Registrant's *Asset Management Agreement* and the custodial/clearing agreement may authorize the custodian to debit the account for the amount of the Registrant's investment advisory fee and to directly remit that management fee to the Registrant in compliance with regulatory procedures. The Registrant shall deduct investment advisory fees and/or bill clients quarterly in advance, based upon the market value of the Recommended/Target assets on the last business day of the previous quarter. When the Registrant bills the client directly, payment is due upon receipt of the Registrant's invoice.
- C. As discussed below, unless the client directs otherwise or an individual client's circumstances require, the Registrant shall generally recommend that Charles Schwab and Co., Inc. ("*Schwab*") serve as the broker-dealer/custodian for client investment management assets. Broker-dealers such as *Schwab* charge brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e. transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and fixed income securities transactions). In addition to Registrant's investment management fee, brokerage commissions and/or transaction fees, clients will also incur, relative to all mutual fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses). (For additional information about the Registrant's relationship with *Schwab* please see Item 12 below).
- D. Registrant's annual investment advisory fee shall be prorated and paid quarterly, in advance, based upon the value of the Recommended/Target assets on the last business day of the previous quarter. The Registrant generally requires a minimum investible asset level of \$500,000 for investment advisory services. The Registrant, in its sole discretion, may charge a lesser investment management fee and/or waive or reduce its minimum investible asset requirement based upon certain criteria: anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, account composition, relationship of a potential client to existing clients or to employees of the Registrant, etc.

The *Asset Management Agreement* between the Registrant and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the *Asset Management Agreement*. Upon termination, the Registrant shall refund the prorated portion of the advanced advisory fee paid based upon the number of days remaining in the billing quarter.

- E. Neither the Registrant, nor its representatives accept compensation from the sale of securities or other investment products.

## **Item 6            Performance-Based Fees and Side-by-Side Management**

Neither the Registrant nor any supervised person of the Registrant accepts performance-based fees.

## **Item 7            Types of Clients**

The Registrant's clients shall consist primarily of individuals, but may also include business entities, trusts, estates and charitable organizations. The Registrant generally requires a minimum investible asset level of \$500,000 for investment advisory services. The Registrant, in its sole discretion, may charge a lesser investment management fee and/or waive or reduce its minimum asset requirement based upon certain criteria.

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

A. The Registrant may utilize the following methods of security analysis:

- Charting – (analysis performed using patterns to identify current trends and trend reversals to forecast the direction of prices)
- Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)
- Technical – (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices)

The Registrant may utilize the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)
- Trading (securities sold within thirty (30) days)

**Please Note: Investment Risk.** Different types of investments and investment strategies involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by the Registrant) will be profitable or equal any specific performance level(s). Investing in securities involves risk of loss that clients should be prepared to bear.

B. However, every method of analysis has its own inherent risks. To perform an accurate market analysis the Registrant must have access to current/new market information. The Registrant has no control over the dissemination rate of market information; therefore, unbeknownst to the Registrant, certain analyses may be compiled with outdated market information, severely limiting the value of the Registrant's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

Each of the Registrant's primary investment strategies - Long Term Purchases, Short Term Purchases, and Trading - has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the

strategy to potentially develop and could result in loss of capital during periods of prolonged negative market performance. Shorter term investment strategies require a shorter investment time period to potentially develop and might serve as a mechanism to protect capital in down markets. However, as a result of more frequent trading, shorter term investment strategies may incur higher transactional costs as well as the possibility for loss of capital during periods of prolonged positive market performance when compared to a longer term investment strategy. Trading, an investment strategy wherein the purchase and sale of securities take place within a thirty (30) day investment time period, involves a very short investment time period and might serve as a mechanism to protect capital in down markets. However, Trading will incur higher transaction costs when compared to a short term investment strategy and substantially higher transaction costs when compared to a longer term investment strategy. Trading also has the potential for greater loss of capital during periods of prolonged positive market performance when compared to the other two methods.

- C. Currently, the Registrant primarily allocates client managed assets to Recommended/Target positions among various mutual funds and inverse mutual funds (that are designed to perform in an inverse relationship to certain market indices), and manages the assets on a discretionary basis in accordance with the client's designated investment objective(s) and risk/performance targets.

As disclosed above, the Registrant may utilize long and short mutual funds that are designed to perform in either an: (1) inverse relationship to certain market indices (at a rate of 1 or more times the inverse [opposite] result of the corresponding index) as an investment strategy and/or for the purpose of hedging against downside market risk; and (2) enhanced relationship to certain market indices (at a rate of 1 or more times the actual result of the corresponding index) as an investment strategy and/or for the purpose of increasing gains in an advancing market. There can be no assurance that any such strategy will prove profitable or successful. In light of these enhanced risks/rewards, a client may direct the Registrant, in writing, not to employ any or all such strategies for his/her/their/its accounts. (*See* Item 4 B).

## **Item 9           Disciplinary Information**

The Registrant has not been the subject of any disciplinary actions.

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

- A. Neither the Registrant, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither the Registrant, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C. The Registrant has no other relationship or arrangement with a related person that is material to its advisory business.

- D. The Registrant does not receive, directly or indirectly, compensation from investment advisors that it recommends or selects for its clients.

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

- A. The Registrant maintains an investment policy relative to personal securities transactions. This investment policy is part of Registrant's overall Code of Ethics, which serves to establish a standard of business conduct for all of Registrant's Representatives that is based upon fundamental principles of openness, integrity, honesty and trust. A copy of the Code of Ethics is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, the Registrant also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by the Registrant or any person associated with the Registrant.

- B. Neither the Registrant nor any related person of Registrant recommends, buys, or sells for client accounts, securities in which the Registrant or any related person of Registrant has a material financial interest.
- C. The Registrant and/or representatives of the Registrant *may* buy or sell securities that are also recommended to clients. This practice may create a situation where the Registrant and/or representatives of the Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. Practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if the Registrant did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, "front-running" (i.e., personal trades executed prior to those of the Registrant's clients) and other potentially abusive practices.

The Registrant has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of the Registrant's "Access Persons". The Registrant's securities transaction policy requires that Access Person of the Registrant must provide the Chief Compliance Officer or his/her designee with a written report of the their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person's current securities holdings quarterly and at least once each twelve (12) month period thereafter on a date the Registrant selects; provided, however that at any time that the Registrant has only one Access Person, he or she shall not be required to submit any securities report described above.

- D. The Registrant and/or representatives of the Registrant *may* buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where the Registrant and/or representatives of the Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. As indicated above in Item 11 C, the

Registrant has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of Registrant's Access Persons.

## **Item 12 Brokerage Practices**

- A. In the event that the client requests that the Registrant recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct the Registrant to use a specific broker-dealer/custodian), Registrant generally recommends that investment management accounts be maintained at *Schwab*. Prior to engaging Registrant to provide investment management services, the client will be required to enter into a formal *Asset Management Agreement* with Registrant setting forth the terms and conditions under which Registrant shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that the Registrant considers in recommending *Schwab* (or any other broker-dealer/custodian to clients) include historical relationship with the Registrant, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by Registrant's clients shall comply with the Registrant's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where the Registrant determines, in good faith, that the commission/transaction fee is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Registrant will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Registrant's investment management fee. The Registrant's best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

### **1. Research and Additional Benefits**

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Registrant may receive from *Schwab* (or another broker-dealer/custodian) without cost (and/or at a discount) support services and/or products, certain of which assist the Registrant to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by the Registrant may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by Registrant in furtherance of its investment advisory business operations. In these situations the Registrant receives a benefit because the Registrant does not have to produce or pay for research, products or services.

As indicated above, certain of the support services and/or products that *may* be received may assist the Registrant in managing and administering client accounts.

Others do not directly provide such assistance, but rather assist the Registrant to manage and further develop its business enterprise. The Registrant *may* have an incentive to select or recommend a broker-dealer based on its interest in receiving research or other products or services, rather than on our client's interest in receiving the most favorable execution.

Registrant's clients do not pay more for investment transactions effected and/or assets maintained at *Schwab* as a result of this arrangement. There is no corresponding commitment made by the Registrant to *Schwab* or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as result of the above arrangement.

**The Registrant's Chief Compliance Officer, John F. Dolan, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest such arrangement may create.**

2. The Registrant does not receive referrals from broker-dealers.
3. The Registrant does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and Registrant will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by Registrant. As a result, client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

**Please Note:** In the event that the client directs Registrant to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through Registrant.

**The Registrant's Chief Compliance Officer, John F. Dolan, remains available to address any questions that a client or prospective client may have regarding the above arrangement.**

- B. To the extent that the Registrant provides investment management services to its clients, the transactions for each client account generally will be effected independently, unless the Registrant decides to purchase or sell the same securities for several clients at approximately the same time. The Registrant may (but is not obligated to) combine or "bunch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among the Registrant's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. The Registrant shall not receive any additional compensation or remuneration as a result of such aggregation.

### Item 13      Review of Accounts

- A. For those clients to whom Registrant provides investment supervisory services, account reviews are conducted on an ongoing basis by the Registrant's Principal. All investment supervisory clients are advised that it remains their responsibility to advise the Registrant of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with the Registrant on an annual basis.
- B. The Registrant *may* conduct account reviews on an other than periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market conditions, and client request.
- C. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. The Registrant may also provide a written periodic report summarizing account activity and performance.

### Item 14      Client Referrals and Other Compensation

- A. As referenced in Item 12.A.1 above, the Registrant may receive an indirect economic benefit from *Schwab*. The Registrant, without cost (and/or at a discount), may receive support services and/or products from *Schwab*.

Registrant's clients do not pay more for investment transactions effected and/or assets maintained at *Schwab* as a result of this arrangement. There is no corresponding commitment made by the Registrant to *Schwab* or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as result of the above arrangement.

**The Registrant's Chief Compliance Officer, John F. Dolan, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest any such arrangement may create.**

- B. Neither the Registrant nor any of its representatives compensates any person other than its supervised persons for client referrals.

### Item 15      Custody

The Registrant shall have the ability to have its advisory fee for each client debited by the custodian on a quarterly basis. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. The Registrant may also provide a written periodic report summarizing account activity and performance.

**Please Note:** To the extent that the Registrant provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by the Registrant with the account statements received from the account custodian. **Please Also Note:** The account custodian does not verify the accuracy of the Registrant's advisory fee calculation. Clients should carefully review statements received from their custodian.

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

The client can determine to engage the Registrant to provide investment advisory services on a discretionary basis. Prior to the Registrant assuming discretionary authority over a client's account, client shall be required to execute an *Asset Management Agreement*, naming the Registrant as client's attorney and agent in fact, granting the Registrant full authority to buy, sell, or otherwise effect investment transactions involving the managed assets in the client's name found in the discretionary account.

Clients who engage the Registrant on a discretionary basis may, at anytime, impose restrictions, **in writing**, on the Registrant's discretionary authority (i.e. limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, etc.).

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

- A. The Registrant does not vote client proxies. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets.
- B. Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact the Registrant to discuss any questions they may have with a particular solicitation.

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

- A. The Registrant does not solicit fees of more than \$500, per client, six months or more in advance.
- B. The Registrant is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. The Registrant has not been the subject of a bankruptcy petition.

## **Item 19            Requirements for State-Registered Advisors**

- A. John F. Dolan is the Registrant's owner and President. More information about Mr. Dolan can be found in the firm's Part 2B Brochure Supplement.
- B. The Registrant is not engaged in any business other than providing investment advisory services to its clients.
- C. As discussed above in Item 6, the Registrant is not compensated on a performance fee basis.
- D. Neither the Registrant nor any management person have any reportable disciplinary information.
- E. Neither the Registrant, nor its representatives, have any relationship or arrangement with any issuer of securities.

**ANY QUESTIONS: The Registrant's Chief Compliance Officer, John F. Dolan, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.**

## **FORM ADV PART 2B SUPPLEMENTS**

### **Item 1 Cover Page**

A.

**John Francis Dolan**

Dolan Financial Corporation

Brochure Supplement

Dated 5/23/2012

Contact: John F. Dolan, Chief Compliance Officer  
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Silver Spring, Maryland 20910  
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B.

**This Brochure Supplement provides information about John Francis Dolan that supplements the Dolan Financial Corporation Brochure; you should have received a copy of that Brochure. Please contact John F. Dolan, Chief Compliance Officer, if you did *not* receive Dolan Financial Corporation's Brochure or if you have any questions about the contents of this supplement.**

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

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

John Francis Dolan was born in 1945. Mr. Dolan graduated from Georgetown University in 1967, with a degree in English. Mr. Dolan is President and has been an investment adviser representative of Dolan Financial Corporation since May of 1985.

Mr. Dolan has held the designation of Certified Financial Planner (CFP®) since 1983. The CFP® designation identifies individuals who have completed the mandatory examination, education,

experience, and ethics requirements mandated by the CFP Board. Candidates must have at least three years of qualifying work experience that relates to financial planning. Candidates are required to hold a bachelors degree from an accredited university. CFP® candidates must pass an examination that covers over 100 financial planning topics, which broadly include: general principles of financial planning, insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning. Finally, candidates have ongoing ethics requirements and oversight by the CFP Board.

### **Item 3 Disciplinary Information**

None.

### **Item 4 Other Business Activities**

- A. The supervised person is not actively engaged in any other investment-related businesses or occupations.
- B. The supervised person is not actively engaged in any non-investment-related business or occupation for compensation.

### **Item 5 Additional Compensation**

None.

### **Item 6 Supervision**

The Registrant provides investment advisory and supervisory services in accordance with current state regulatory requirements. The Registrant's Chief Compliance Officer, John F. Dolan, is primarily responsible for overseeing the activities of the Registrant's supervised persons. Mr. Dolan also monitors accounts and conducts account reviews on at least an annual basis. Should a client have any questions regarding the Registrant's supervision or compliance practices, please contact Mr. Dolan at (301) 495-5900.

### **Item 7 State-Registered Investment Advisors**

- A. Mr. Dolan has never been involved in an arbitration proceeding or a civil, self-regulatory, or administrative proceeding.
- B. Mr. Dolan has never been the subject of a bankruptcy petition.

**Item 1 Cover Page**

A.

**John Paul Jones Jr.**

Dolan Financial Corporation

Brochure Supplement  
Dated 5/23/2012

Contact: John F. Dolan, Chief Compliance Officer  
8455 Colesville Road, Suite 710  
Silver Spring, Maryland 20910  
(301) 495-5900

B.

**This Brochure Supplement provides information about John Paul Jones Jr. that supplements the Dolan Financial Corporation Brochure; you should have received a copy of that Brochure. Please contact John F. Dolan, Chief Compliance Officer, if you did *not* receive Dolan Financial Corporation's Brochure or if you have any questions about the contents of this supplement.**

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

**Item 2 Education Background and Business Experience**

John Paul Jones Jr. was born in 1964. Mr. Jones graduated from the University of Maryland-University College in 2000, with a degree in Business Management. Mr. Jones has been an investment adviser representative of Dolan Financial Corporation since 2004.

**Item 3 Disciplinary Information**

None.

**Item 4 Other Business Activities**

- A. The supervised person is not actively engaged in any other investment-related businesses or occupations.
- B. The supervised person is not actively engaged in any non-investment-related business or occupation for compensation.

#### **Item 5 Additional Compensation**

None.

#### **Item 6 Supervision**

The Registrant provides investment advisory and supervisory services in accordance with current state regulatory requirements. The Registrant's Chief Compliance Officer, John F. Dolan, is primarily responsible for overseeing the activities of the Registrant's supervised persons. Mr. Dolan also monitors accounts and conducts account reviews on at least an annual basis. Should a client have any questions regarding the Registrant's supervision or compliance practices, please contact Mr. Dolan at (301) 495-5900.

#### **Item 7 State-Registered Investment Advisors**

- A. Mr. Jones has never been involved in an arbitration proceeding or a civil, self-regulatory, or administrative proceeding.
- B. Mr. Jones has never been the subject of a bankruptcy petition.