

Form ADV : Part 2 A & B

As of July 13, 2012

Part 2A: The Brochure: This brochure discloses information about the qualifications and business practices of the investment advisory firm named below for the benefit of its clients and prospective clients. Please note that the terms “registered investment adviser” or “registered” do not imply a certain level of skill or training. If the adviser uses a wrap fee program, it is found in Appendix 1. If you have any questions about the contents of this brochure, please contact us at the contacts given below.

Part 2B: The Brochure “Supplement discloses information about persons providing advice.

2A: Brochure : Item 1 :Cover Page : for

Bruce A. Lefavi Annuities, Inc.
[“Lefavi Wealth Management”]
2323 Foothill Drive, Suite 100
Salt Lake City, UTAH 84109

[crd # 104961]

Telephone : 801-486-9000

or

Facsimile : 801-486-9058

Email : info@lefavi.com

website : www.lefavi.com

*Please note that this brochure has not been approved by the Securities & Exchange Commission or by any state securities authority. This firm is registered with one or more states; **registration does not mean approval or verification by those regulators.** More information about the firm is at Investment Adviser Public Disclosure : www.adviserinfo.sec.gov.*

2A: Brochure : Item 2: Material Changes : *If we amend this disclosure brochure, we are to send you either a new copy of the brochure or at least this item 2 describing the changes made so you can decide if you want us to send you a complete, new copy. A summary of material changes is :*

☐ attached as an exhibit to or

☐ included here as part of this updated brochure

or : ☐ No summary of material changes is required because there have been no material changes to this adviser’s brochure since its last annual updating amendment.

The changes made are:

In Item

In Item

If you would like us to send you a complete copy of the ADV Part 2A, please contact us at the address or telephone number provided above.

2A: Brochure : Item 3 : Table of Contents : Information that investment advisers must provide to prospective clients initially and to existing clients annually : 19 disclosure items that describe this firm’s advisory business. and (if applicable) Appendix 1withdisclosuresrequired for a “wrap fee” program brochure [*a specialized brochure*].

Item 1. : <u>Cover Page</u> .: The firm’s name, its address, contact information,	Page 1, above
Item 2. : <u>Material Changes</u> .— Amendments made as of _____	Page 1, above
Item 3. : <u>Table of Contents</u>	Page 2, this page
Item 4. : <u>This advisory firm’s business</u> —Services; Assets ; Owners.	Pages 3 - 4
Item 5 : <u>Fees and Compensation</u> . . — How our firm is compensated; fee schedules	Pages 4 - 7
Item 6: <u>Performance-Based Fees and Side-By-Side Management</u> .	Page 7
Item 7 : <u>Types of Clients</u> . — The types of clients we service; account requirements	Page 7
Item 8 : <u>Methods of Analysis</u> , Investment Strategies and Risk of Loss. —	Pages 8 - 11
Caution: Investing in securities involves risk of loss.	
Item 9 : <u>Disciplinary Information</u> . —Legal or disciplinary events relating to our firm to evaluate the integrity of our firm or its management persons.	Page 11
Item 10 : <u>Other Financial Industry Activities and Affiliations</u> . . — Possible conflicts of interest and how they are addressed.	Pages 11 - 12
Item 11. : A. <u>Code of Ethics</u> , & B. - D. —A summary; Interest in client transactions	Pages 12 - 15
Item 12.: <u>Brokerage Practices</u> . — How we select a broker; “soft dollars”	Pages 15 - 16
Item 13.: <u>Reviews of Accounts& Reports to Clients</u>	Page 16
Item 14.: <u>Client Referrals and Other Compensation</u> . Solicitors, etc.	Page 17
Item 15. : <u>Custody</u> .	Page 17
Item 16.: <u>Investment Discretion</u> .	Pages 17 - 18
Item 17. : <u>Voting Client Securities</u> .— Proxy voting practices.	Page 18
Item 18.: <u>Financial Information</u> .— Disclosure of material financial information.	Page 18
Item 19.: <u>State-registered</u> investment advisers : requirements	Page 19

2A: Brochure : Items 4 – 19:

Item 4. : This advisory firm's business

4. A. Bruce A. Lefavi Annuities (also "Lefavi Wealth Management" - or "the firm" or "the adviser") is a Utah state corporation [IRS EIN # 87-0423407] that registered to do business as an investment advisory firm on 11.21.1991. Note : The use of the phrase "registered investment adviser" or the term "registered" do not imply a certain level of skill or training.

The firm's sole owner is its President, Mr. Bruce A. Lefavi. He, together with two Vice Presidents for Investments, Mr. Dale E. King and Mr. John Jaicks, determine the general investment advice and recommendations the firm provides its clients. Please see Item 19 for a description of these advisers' educational and employment histories and other business affiliations.

Lefavi Wealth Management advisers will have at least the following qualifications:

- (1) A degree from an accredited undergraduate institution in business, finance, or a related field, or
- (2) Professional certification, i.e. CFP, Ch.F.C., CLU, CPA, etc., or
- (3) Three or more years of equivalent business experience.

All investment adviser representatives and associated persons will meet the examination or experience requirements of the state(s) in which they provide investment advisory services.

Business hours are from 8:00 AM - 5:00PM, Monday through Friday.

4.B Lefavi Wealth Management offers the following services :

- Financial Planning
- Portfolio Management for individuals, businesses and institutional clients

Fee-Based Service:

Lefavi Wealth Management has created asset allocation models for its clients. The firm will invest a client's assets into the appropriate asset allocation model and monitor the performance of the client's assets. An advisory representative will recommend changes as the firm deems appropriate.

Lefavi Wealth Management will also periodically update the asset-allocation model and review the allocation in a client's portfolio, comparing it to the allocation recommended in the model. Lefavi Wealth Management will determine the appropriate changes to be made to balance the Client's portfolio to the client-appropriate model. The preferred maximum time between rebalancing portfolios is one year, but this may vary depending on the client's needs and market conditions.

This service focuses on no-load commission products and transactions. Mutual fund transactions will be done in a no-load class of mutual funds provided they are available for the particular mutual fund that Client wishes to purchase within the desired asset allocation. For instance, if no-load shares are unavailable for a particular fund, Lefavi Securities may purchase a fund with a load on which they receive a commission.

Lefavi Wealth Management will also advise clients to see a specialist in a particular area such as long term care insurance or Medicare Advantage insurance. We can collect referral fees or share in commissions for such referrals from the provider of the service to which we referred the client. This is not a direct cost or fee to the client.

The Advisor may offer suggestions about any other products which it is felt is appropriate for the

particular individual needs of the client on a case by case basis. There is no extra charge for this advice. Products can be anything that a client might have a question about like real estate or any other investment opportunities.

The Term of the advisory services contract:

The advisory agreement shall remain in effect until terminated upon 10 days written notice by either the client or Lefavi Wealth Management. In that agreement the client is asked to sign an acknowledgement that s/he has had the opportunity to ask questions concerning the information disclosed in this ADV Part 2A. If a client has not received this Form ADV Part 2A at least 48 hours prior to signing the advisory agreement, the client has the right to terminate the advisory agreement within five days of signing it without any charge or fee.

4.C. Do we tailor our advisory services to a client's individual needs and how do we do so?

Can clients impose restrictions on investing in certain securities or types of securities?

By their nature, financial planning services must be based on each client's individual needs to have any useful validity. As noted above, the firm will invest a client's assets into an appropriate asset allocation model and monitor the performance of the client's assets and an advisory representative will recommend changes subsequently as the firm deems appropriate. As a fiduciary, an investment adviser is to make only those recommendations that demonstrably are in the client's own best interests. The firm must base its investment advice on an individual's stated or established, individual needs, goals, risk tolerance and investment time horizon. The firm seeks to establish this personal dimension through a careful, fact-finding interview and discussions with each client.

Clients may impose reasonable restrictions on the adviser's discretion to invest in certain securities or types of securities if a client provides clear, written directions to that effect. Clients may opt to have their account managed on a non-discretionary basis. The client allows the power of discretion to an adviser by means of a limited power of attorney, which the client may revoke at any time.

Discretion regarding the type of securities and amount purchased is only allowed if specifically given in writing by client. This discretion is limited within the scope of the portfolio managed by the advisor. The securities purchased will be within the guidelines of the portfolio agreed upon by the client and the amount of securities purchased will be limited by the amount of money put into the portfolio by the client. Specifically, the advisor does not have the discretion to add money to the portfolio or withdraw funds (unless to pay advisory fees as agreed to by the client).

4.D. We do not sponsor, manage or otherwise participate in a wrap fee program providing portfolio management services.

4. E. Due to the manner in which Lefavi Wealth Management reviews and rebalances its model portfolios, the SEC has informed our firm that we do not qualify to state that we meet the definition of continuous and regular asset management.

Item 5 : Fees and Compensation. . — How our firm is compensated

5.A. A description of the range of fees.

Lefavi Wealth Management may charge a minimum annual fee of \$400.00. Lower fees for comparable services may be available from other sources.

1. **Fee-Based Service** : This service invests a client's assets, as described above in item 4.B, using an appropriate asset allocation model that Lefavi Wealth Management has created and monitors.

Mutual Funds: Lefavi Wealth Management and affiliates will collect a fee of 1.00% per year on all mutual funds that pay 12b-1 fees and will collect 1.25% on all mutual funds that do not pay 12b-1 fees. Most of the funds that Bruce A. Lefavi Securities, Inc. (Lefavi Securities) uses pay a .25% 12b-1 fee one year after purchase which is why we arbitrarily credit the fee .25% to reduce the fee from 1.25% to 1.00% on these funds starting the second year after becoming a client. If the 12b-1 fees are substantially reduced or eliminated, we will decrease the amount of the .25% credit to approximate the decrease in 12b-1 fees we receive. Therefore, the total fee amount that Lefavi Wealth Management collects from a client for mutual funds is normally very close to 1.25% the first year after becoming a client and 1.00% thereafter since most funds we use have 12b-1 fees that start a year after purchase.

Annuities: Lefavi Wealth Management will collect a fee of 0.4% (4 tenths of 1%) per year on annuities purchased through Lefavi Securities and on which a commission is earned by Lefavi Securities. Lefavi Wealth Management will receive 1.25% on all annuities purchased through another broker and for which Lefavi Securities did not receive a commission. We will arbitrarily reduce the 1.25% fee by .25% per year on all annuities that have a trail commission making the effective fee to the client 1.0%. If the trail commission is substantially reduced or eliminated, we will decrease the amount of the .25% credit to approximate the decrease in trail commission we receive.

Individual Stocks, Exchange-Traded Securities and Individual Bonds: Lefavi Wealth Management will collect a fee of 1.25% on stocks, bonds, unit investment trusts, closed-end mutual funds, exchange traded funds, exchange traded notes, and all other exchange traded securities held in the client's accounts Limited Partnerships and Hard to Value Assets: For limited partnerships, limited liability companies, or other assets with no readily ascertainable market value, Lefavi Wealth Management will collect a fee of 1.25% per year, plus a one-time evaluation fee of 8.0% at the time the investment is purchased. The 8% evaluation fee does not apply to any asset that generates a commission or markup to Lefavi Securities.

The investment advisory contract may include a one time 1% up front fee on all assets under management in addition to the fees outlined above.

2. Accounts Held Outside Bruce A. Lefavi Securities, Inc.'s Control:

Lefavi Wealth Management will collect a fee of 1.25% on all assets in accounts held outside of Bruce A. Lefavi Securities, Inc.'s and its affiliate's control. The client will designate these accounts on the Outside Account Agreement form.

Asset Management Service (Limited Trading Authorization):

In addition to the fee-based service in the prior section, a client may provide Lefavi Wealth Management limited trading authorization that will allow Lefavi Wealth Management to buy and sell any of the investment products outlined in the **Fee-Based Service** section as it deems necessary for the best long-term performance for client. This will include rebalancing the portfolio whenever deemed necessary by Lefavi Wealth Management. In order to grant this authority to Lefavi Wealth Management, Client must complete and sign a "Limited Trading Authorization" form provided by Lefavi Securities. There is no additional cost for this service.

Fees may in some instances be negotiable at the adviser's discretion, usually dependent upon the prospect of additional or large beginning assets.

5.B. . Disclosure : Our firm bills its clients for the incurred advisory fees by obtaining each client's signed permission to deduct the advisory fees from the client's account held by the custodian. It also sends out to each client a notice stating the fees that the custodian will deduct. We do offer to send out an invoice

if clients prefer to pay “out of pocket.”

Lefavi Wealth Management uses “direct billing” that requires us to obtain a client’s written permission to deduct our fees directly from the client’s account held by the custodian. [See the ADV Part 1B, Item 2. I] Unless other arrangements are made, Lefavi Wealth Management will collect the fee from one of the client’s accounts under management. The client [or, in the absence of a client designation, Lefavi Wealth Management] will designate the account that will pay the fee.

If no cash balance is available in the designated fee account, the client agreement authorizes Lefavi Securities to accept instructions from Lefavi Wealth Management to liquidate the appropriate amount of an asset it chooses to the extent necessary to pay the fee.

A client also authorizes Lefavi Securities to accept instructions from Lefavi Wealth Management to transfer fees that are due to Lefavi Wealth Management.

The firm charges its fees at the beginning of each calendar quarter and bases them on the value of the client’s assets under management at the end of the most recent calendar quarter. The first fee payment will also include the period from the date of the initial contract to the end of the current calendar quarter.

5.C. . Disclosure : Other types of fees or expenses clients may pay in connection with the advisory services. Clients should be aware that opening an investment account carries with it costs beyond the advisory fee(s) Lefavi Wealth Management charges. When placing a transaction order to buy or sell securities, advisory clients may have to pay any or all of the following charges in addition to the advisory fees charged by this firm.

- Brokerage commissions
- Annual custodian fees
- postage charges
- processing charges
- Ticket charges
- Early surrender or account closing fees
- Transfer fees
- Lawyering fees
- administrative fees for investments in mutual fund fees,
- and 12b-1 fees in addition to administrative fees, and other marketing fees for mutual funds, paid to a broker dealer;
- account maintenance fees charged by a broker dealer for an account, especially if inactive
- Pledging agreement charges
- Other miscellaneous charges related to the administration of securities in a client’s account

Of the above charges, the advisory firm’s related broker dealer, Lefavi Securities, will earn commissions on transactions and 12(b)-1 fees. The custodian may choose to share certain revenues with the related broker dealer. We direct clients to this brochure’s Item 12 for further discussion of brokerage costs.

5.D. . Disclosure : Do clients pay fees in advance? How may a client obtain a refund of a pre-paid fee if the contract is terminated prior to a billed period’s end? How will the amount of the refund be determined? Client’s accounts will pay the advisory fees in advance, at the beginning of the month following the quarter in which services were provided. In the event of termination, the firm will calculate and return to the client any prepaid but unused fees. The firm will prorate the fee on the number of days services were actually provided to the client.

5.E. Disclosure : Does the firm or any of its supervised persons accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds?

Yes; the advisory representatives of Lefavi Wealth Management are also registered as broker dealer agents of the related broker dealer, Lefavi Securities. In that capacity, if they perform any transactions

for an advisory clients, they will earn brokerage commissions. They will also be eligible to earn 12(b)-1 fees for any mutual fund transactions they effect for an advisory client.

Disclosure 5.E.1. Whenever an investment advisory firm's representatives may earn a commission, or mutual fund management 12b-1 fees, or other forms of sales charges in their capacity as the registered representatives of a broker-dealer, that arrangement creates an incentive to recommend those sales and, as a consequence, an inherent possibility for a conflict of interest. An advisor is a fiduciary who is required to make only those recommendations for a client that solely are in the client's own best interest, uninfluenced by any calculation of personal gain.

Our firm addresses this potential conflict of interest by informing clients of the conflict in this disclosure brochure. Also, for those clients who purchase mutual funds that levy 12(b)-1 fees, the adviser reduces its advisory fee.

Disclosure 5.E.2. Clients always have the option to purchase through unaffiliated broker-dealers and their agents those investment products our firm recommends

Disclosure 5.E.3 Does our advisory firm receive more than half its revenue from commissions and other sales-based compensation? No, our firm's primary business activity, in time and in revenues, is its fee-based advisory service.

Disclosure 5.E. 4. Do we charge advisory fees in addition to commissions or markups? We do, of course, charge advisory fees. Our investment advisory firm is not also a broker dealer and therefore does not receive commissions or markups. As disclosed, our related broker dealer, Lefavi Securities, will earn commissions on transactions that clients choose to effect through that firm.

Other disclosures for this section : Our firm's portfolio construction and monitoring service focuses on no-load commission products and transactions. Mutual fund transactions will be done in a no-load class of mutual funds provided they are available for the particular mutual fund that Client wishes to purchase within the desired asset allocation. If no-load shares are unavailable for a particular fund, Lefavi Securities may purchase a fund with a load on which they receive a commission. ["No-load" funds impose no commission or sales charge ("load") on the shareholder and are purchased directly from the fund company, rather than through a broker.]

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

Lefavi Wealth Management does not charge performance-based fees [fees based on a portfolio's increase in asset value]; none of the firm's supervised persons manages an account that pays performance fees.

Item 7. : Types of Clients.

Typically our clients include high net worth and other individuals, corporations and other businesses, and pension and profit-sharing plans. We are prepared to provide services to charitable organizations, estates, and trusts as well. Certain client accounts are subject to a \$400.00/year minimum annual advisory fee. This will be explained in writing on a contract and agreed upon by client by their signature.

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

A. An adviser must describe its methods of analysis and investment strategies used in formulating its investment advice. It must explain in detail any unusual risks.

Caution : Investing in securities involves risk of loss which a client must be able to bear.

In formulating advice, the adviser may apply cyclical, fundamental and/ or technical analytical methods.

Cyclical – This form of analysis classifies sector types of stock and possibly specific stocks with regard to their relation to recurring up and down business cycles and/ or market movements.

Certain kinds of stock show marked tendencies to mirror these larger economic movements, either directly or inversely. Automobile industry stocks, housing stocks, and many others belong to these groups. Others, such as food-related stocks, have little or no relation to these cyclical economic movements. It is important for the analyst using cyclical predictors to have a good understanding of how certain industries relate to the overall economy and any verifiable changes occurring within the system, to ascertain which business sectors will be affected and how greatly by economic changes.

Risks inherent in using a cyclical method of analysis : The analysis is applied to limited kinds of stocks, which either could limit a portfolio or require other forms of investing whose analyses would then need to be related to and integrated with the concepts and investment goals inherent in a cyclical view.

Understanding business cycles is a complicated endeavor at the least.

The time involved in these cycles is generally longer historical periods whose effectiveness may easily be eclipsed by other forms of market action. Changes in the economy may vary in the magnitude of their cyclical effects from period to period.

Deciding when to enter into a predicted cycle and when to leave can require very careful monitoring; demand for certain cyclical industry items may not always be predictable if a significant portion of consumption is from certain foreign purchasers, the Chinese Peoples Republic, for example. Time spent using one analytical method will compete with other analytical methods which might have proven more useful and profitable.

Fundamental Analysis – Called the “bottom-up” approach to investing, a fundamental analysis seeks an in-depth understanding of a **specific firm/** company to evaluate its intrinsic value and its future prospects before investing in its stock. Such an analysis studies the firm’s management, its debt, equity and cash flow, history of financial performance/ growth, dividend payout percentages, its products, operating efficiency and marketing structures, among other factors. The firm’s balance sheet and income statement are two key sources of information about the firm.

Fundamental Analysis will compare a firm’s stock price with its earnings per share and its net earnings to its gross revenues and compare both with the averages for that industry sector. The ratio of current liabilities to current assets is another important element of this form of evaluation. A central focus is deciding whether the stock is over-valued or undervalued.

As a term in large-scale economics, a fundamental analysis studies gross national product, inflation and interest rates, trade and unemployment trends, consumer confidence, savings and spending patterns and inventories in order to predict the larger movements of national and international economies. These larger concerns greatly influence the elements considered in a fundamental analysis of any given company.

Risks inherent in using a fundamental analysis : The factors involved can require time-consuming study that can fall behind the need to make decisions, if such factors begin to change rapidly. Few of the numbers are absolutes; many are relative to other factors or industry sector information. Most require intelligent judgment and experience to be applied meaningfully to stock values.

Fundamental analysis places value on the financial structure and health of the firm to be invested in. These factors at times are of little or no interest to the market place, such that the stock prices for very sound companies may wither when investors look to other reasons and areas for investing.

For a relatively short time period, a firm can falsify facts to hide poor performance or a fragile financial situation. The independence of balance sheets' and other reports' numerical information from such possible manipulation may not be readily verifiable.

Additionally, time spent using any one analytical method will compete with other analytical methods which might have proven more useful and profitable.

Technical – Technical Analysis is, together with fundamental analysis, one of the two major schools of stock market study. This form of value analysis focuses on patterns of **volume and price fluctuations** for a **given stock** as compared to the activity of the larger, general market(s) indicators. Securities are evaluated for purchase or sale based on an analysis of market statistics such as volume and prices over time as seen on charts, etc. that are believed to establish relational patterns that can predict future movements in the markets.

This relative comparison has little or no concern for any company's fundamental structure, production or worth. Market indicators kept in view include volume and direction of market activity, as indicators of supply and demand for securities, often using one or more established index/ indices, such as the FINRAAQ, S&P 500, and the Dow Jones Industrial Average. Trends and Penetrations (e.g. of previous "highs") are another type of indicator used. The patterns discerned, often using charts for a quick grasp of the relationship of various factors, are used to predict future market moves and their effects on stocks in general and/ or on particular sectors of the market.

Problems encountered using a technical analysis : Technical analysis purports to see patterns deemed repeatable in similar market conditions. Market conditions may consist of many factors any one of which may alter the outcome of an otherwise very similar situation. No one indicator is absolutely reliable, and a multiple of indicators may just as likely complicate understanding and evaluation as much as or more than it allows deeper insight into the market's mechanics.

The understandings offered clients in explanation tend to use generic Technical Analysis, while the working concepts that are derived from those basics and modified by experience and a firm's emphasis may well be hidden in part or completely as proprietary strategy /strategies that may let one advisor or market participant outperform another.

Technical analysis assumes that all the market factors are known to and considered by all the market's participants, although, in fact, the market can act in highly partial and even apparently irrational ways. A market termed "dynamic" indicates a sense that the underlying causal relationships may be shifting.

MPT (Modern Portfolio Theory) : Other analysis methods used include asset allocation. We use modern portfolio theory to determine the allocation of assets between investment areas. Modern portfolio theory, which seeks to use models of diversified selections of securities types and industry sectors to maximize the expected return on a portfolio within the framework of the amount of risk the portfolio's owner is willing to take. Typically the higher the risk of loss, the higher the opportunity is to gain.

The adviser uses various sources of information for its analyses; these sources may include any or all of the following :

- Financial newspapers and magazines
- Research materials prepared by others
- Corporate rating services
- Annual reports, prospectuses, filings with the Securities and Exchange Commission

Lefavi Wealth Management utilizes other sources of information that include investment periodicals, performance research and rating services such as Morningstar's Mutual Fund Rating Service and "100 Best Mutual Funds You Can Buy".

8. B. An advisor must explain the material risks involved in frequent trading if its strategy involves frequent trading of securities. An advisor must explain how frequent trading can affect performance.

The firm's trading strategies include holding for the long term (a year or more). What may be regarded as "frequent trading" varies according to

- the client and the strategy for that client's specific account – one client may have multiple accounts that apply different strategies
- to the type of security or relative mix of securities involved
- and to the current nature of the market.

All strategies are intended to enhance the portfolio's value and ability to meet a client's stated goals. All trades will add some costs to be deducted from a client's account and could reduce the overall return or growth in a client's account, if carefully measured against what its value would have been had the adviser not placed the transactions.

8.C. Do we recommend primarily a particular type of security? What are the material risks involved with that type of security? Are those risks unusual or significant?

We primarily recommend mutual funds, ETFs, and variable annuities. We are prepared to provide advice on most types of securities :

<u>Equity Securities</u>		Notable risks involved with this type of investment
exchange-listed securities		Market fluctuations can bring losses, lower dividends
over-the-counter securities		More susceptible to market fluctuations; higher risk
Corporate debt securities		Same as exchange listed, corporate bonds involve credit risk
Certificates of deposit		Limited liquidity
Municipal securities		Same as exchange listed; It is possible that they can default
<u>Investment company securities</u>		
variable annuities		Same as variable life
mutual fund shares		Market fluctuations can bring losses; various fees
US government securities		Returns can be low or even, rarely, negative. As hedge against equity market risk, mirror them.
<u>Interests in partnerships investing in</u>		

real estate, oil and gas		Historically prone to bubbles and after effects; may lose entire amount invested; not covered by SIPC
Other :		

Please see Item 12 for further description of our brokerage practices.

Item 9 :Disciplinary Information.

If there are facts about any legal or disciplinary event involving our firm or its personnel, our clients should know them because they are material to an evaluation of the integrity of our firm or its management persons. You may also see the same questions specified here answered online at the investment adviser public disclosure site (IAPD), in Part 1A, Item 11. Our firm and its management persons have not been involved in any events that come under this item, to include Criminal or Civil Actions, Administrative Enforcement Proceedings or any Self-Regulatory Organization's Proceedings.

Item 10 :Other Financial Industry Activities and Affiliations.

What material relationships does our firm or any of our management persons have with related financial industry participants? What material conflicts of interest may arise from these relationships and how are these conflicts addressed?

A. Mr. Lefavi, the President and owner of Bruce A. Lefavi Annuities, Inc., is also the President and a registered representative of Bruce A. Lefavi Securities, Inc., a registered broker dealer. Several advisory representatives are also registered agents of the related broker dealer. Whenever an advisory representative of Lefavi Wealth Management recommends the brokerage services of the related broker dealer, that creates an inherent risk for a conflict of interest, due to the commissions the related firm and affiliated persons will earn. The commissions and possible 12(b)-1 fees act as an incentive to make the recommendation. An adviser is a fiduciary who is to be free from self-interest in making advisory recommendations.

B. Neither the firm nor any of our management persons has registered as a futures commission merchant, commodity pool operator, a commodity trading advisor, or as an associated person of any of those entities. We have no such registration pending.

C. Do we have any "related person" – a person or a firm that we control or that controls us through ownership or as an officer – with whom we have a material relationship, any arrangement that may cause a conflict of interest when providing our clients with investment advice?

Broker Dealer

1. As noted above in Item 10. A, the firm's President and owner, Bruce A. Lefavi, is also the president of Bruce A. Lefavi Securities, Inc., a FINRA member firm. He may receive commissions for purchases and sales he transacts on behalf of his clients, which may be in addition to his advisory fees for advisory clients. He may transact securities purchases and sales on behalf of the applicant's clients if suitable for such client, taking into consideration such things as net worth, income, investment objectives, and investor sophistication.

Our firm discloses at the initiation of our advisory relationship to clients that there may be potential conflict of interest and that the client may utilize any broker/dealer to effect transactions that Lefavi Wealth Management's representatives recommend.

Insurance Agency

2.The adviser uses Bruce A. Lefavi Securities, Inc. for all of its broker/dealer services and execution of all of its client's securities related business. Bruce A. Lefavi Securities, Inc. is a registered broker/dealer that is a member of FINRA and SIPC. Bruce A. Lefavi Securities, Inc. offers securities to the public and is owned solely by Bruce A. Lefavi.

Bruce A. Lefavi Annuities, Inc. the advisory firm, is also licensed as a life insurance agency and offers its clients insurance products. All life insurance business, primarily variable annuities, is written by Bruce A. Lefavi Annuities, Inc. for its clients. The insurance products offered are related to the investment advisory business and is part of the overall financial planning process for its clients.

Real Estate Management

3.Mr. Lefavi is the managing member of both Top Hat Investments, LLC (which is investment related) and Rapid Real Estate, LLC, (which is not investment related). Both firms own and manage real estate.

Office Equipment Leasing

4.Mr. Lefavi is the managing member of Omega Leasing, not an investment-related enterprise, that leases office equipment.

Otherwise, our firm has no related firm or person who is :

- a Municipal Securities Dealer
- a Government Securities Dealer or Broker
- an investment company or other pooled investment vehicle , including a mutual fund,
- a closed-end investment company
- a unit investment trust
- a private investment company
- a hedge fund
- an offshore fund
- another investment adviser/ financial planner
- a futures commission merchant, commodity pool operator or commodity trading advisor
- a bank or a thrift institution
- an accountant or accounting firm
- a lawyer or a law firm
- a pension consultant
- a sponsor or syndicator of limited partnerships.

The risk for a conflict of interest in the relationship to these businesses comes with any recommendation the adviser may make to a client to use their services. The compensation to be received creates an incentive to recommend the service.

An adviser's **related persons** are: (1) the adviser's officers, partners, or directors (or any person performing similar functions); (2) all persons directly or indirectly controlling, controlled by, or under common control with the adviser; (3) all of the adviser's current employees; and (4) any person providing investment advice on the adviser's behalf.

D. Do we recommend or select other investment advisers for our clients? Lefavi Wealth Management does not refer its clients to third party investment t advisers' investment platforms.

Item 11. Code of Ethics / Advisory Persons' own trading and possible personal interest in our clients' trades.

A. As required by SEC rule 204A-1 or similar state rules our firm has adopted a Code of Ethics.

Our advisory firm and its officers and representatives are and shall continue to be in total compliance with the Insider Trading and Securities Fraud Enforcement Act of 1988. Specifically, Lefavi Wealth Management has adopted a firm wide policy outlining Insider Trading and Front Running compliance requirements to which the firm and its associated persons and other employees must adhere. This policy is part of our Written Supervisory Procedures; the firm requires all associated persons and other employees to read it and sign off in acknowledgement and agreement. If you give us a written request

for one, we will provide you, our client or prospective client, with a copy of our Code of Ethics.

Please note that using any insider information, information that is not readily available to all participants in the securities markets (upon making a reasonable effort to obtain that information), for any person, ourselves or relatives or clients or any other person, is strictly illegal and punishable by fines and imprisonment.

How our firm controls sensitive information:

- Building security : Our reception screens visitors, who must check in.
- We lock cabinet files after hours.
- We have backup for our data and computer screens and databases are password protected.
- The building has fire prevention inspections, smoke detectors and extinguishers.
- The office area is under continual supervision during business hours..

The related broker dealer uses continuing education training to inform its personnel, including the investment advisory firm's personnel, regarding the prohibitions against front running and the use of any insider information. Personnel sign off on attendance and an acknowledgement. The broker dealer reviews personnel's proprietary accounts' holdings and transactions.

11. B. [also in Form ADV Part 1A, Item 8. (1)(2) (3)]

Does our firm or a related person recommend to our clients, or do we buy or sell for our clients' accounts, securities in which we or a related person has a material interest?

- The advisory firm does not do principal transactions; Mr. Lefavi may rarely perform a riskless principal trade through the related broker dealer, Bruce A. Lefavi Securities, Inc. – usually in instances where bonds are involved.

The applicant occasionally will recommend the purchase and sale of individual bond securities. In order to facilitate the mark-up and mark-down commission process on some of these transactions, the applicant's related person, Bruce A. Lefavi Securities, Inc. will run these trades through its riskless principal account through its clearing broker. The applicant or any of its related persons do not inventory securities or trade securities to or from its clients from its own inventory.

Our firm and/ or its associates **do**

- buy or sell for the firm or for themselves securities (other than shares of mutual funds) that we also recommend to our advisory clients;
- buy or sell for the firm or for themselves shares of mutual funds that we also recommend to our advisory clients;
- invest or are permitted to invest in securities related to those we may recommend to clients, such as derivatives

Our firm and its associates **do not**

- in their capacity as a broker/ dealer agent, transact purchases or sales of any client's securities directly to any other person (an "agency cross transaction" that side-steps using a securities market place)
- recommend securities (or other investment products) to our advisory clients in which our firm or any person or other firm related to our firm has some other proprietary (ownership) or other financial interest.
- Act as an investment adviser to an investment company that we recommend to our clients.

11. C. *Personal Trading* : investing in the same or related securities

Does our firm permit itself, its personnel, or a person related to our firm (by ownership or other forms

of control) to :

- invest in the same securities that we recommend to our clients,
- or in securities that are related to those securities, such as options or other derivatives?

The advisory firm and/ or its principal officers may on occasion buy or sell securities that they also recommend to clients. We disclose the possibility of a conflict of interest to the firm's clients, in this brochure and in the client agreement.

The applicant's principal, Bruce A. Lefavi, is the president of Bruce A. Lefavi Securities, Inc., a FINRA member firm. He may receive commissions for purchases and sales he transacts on behalf of his clients, which may be in addition to his advisory fees for advisory clients. He may transact securities purchases and sales on behalf of the applicant's clients if suitable for such client, taking into consideration such things as net worth, income, investment objectives, and investor sophistication. It is disclosed at the initiation of the relationship that there may be potential conflict of interest and that the client may utilize any broker/dealer to effect transactions recommended by the investment advisor.

When our firm or its personnel buy or sell securities for their own accounts, we will always place clients' orders before our own if there is to be activity in both at approximately the same time. This issue is of little or no concern as the securities in question are always or almost always mutual funds, bonds, ETFs and/ or variable annuities. Due to our affiliation with a broker dealer, an administrator within the firm reviews the daily trade blotter for any evidence of prohibited trading actions.

The possible conflicts of interest that arise whenever we recommend, or, in our discretion, buy or sell for you a security that we may also buy or sell for ourselves are

- using your order's market effect to benefit ourselves ("front running");
- using your order as "inside information" that would give us an unfair advantage in the markets to benefit ourselves or any other person (which is an illegal act);
- gaining a lower brokerage cost for ourselves in bunching orders, which can create an incentive to involve your account in that transaction.

Does any person in our firm participate in or have an interest in our clients' transactions? How does such a person participate or what is the interest and what conflicts of interest can that create? No. No one in the firm has a financial interest in any investment transaction the firm recommends to its clients. Examples of such interests would include an adviser recommending that clients invest in a pooled investment vehicle that the firm advises or for which the investment adviser serves as the general partner, or when an adviser with a material financial interest in a company recommends that a client buy shares of that company.

11. D. **Personal Trading**. : investing in the same or related securities at the same time.

What specific conflicts do we have when our firm or a related person trades in the same securities at or about the *same time* as it places trades for a client's account?

Our practice is to place clients' trades first. There is little or no risk of front running or other abuses as the securities in question are mutual funds and similar securities that make the abuses inoperable.

"The SEC generally dislikes 'contemporaneous' trading," that is, that anyone in our firm might enter an order for her or his own account at the same time as an order in the same security for a client. Note that these restrictions are not applied to investments in mutual funds that are unaffiliated with our firm. Unaffiliated means a mutual fund that we have not ourselves created or helped establish and/ or in some way act as the fund's managers.

The SEC has stated that “an adviser’s ability to place its own trades before or after client trades in the same security may affect the objectivity of the adviser’s recommendations” and therefore states further that the SEC believes *disclosure of this practice* is warranted. The SEC has not in that opinion stated a specific length of time before or after. In that respect it could also be noted conversely that clients might have reservations in employing an adviser who does not invest in the same securities the adviser recommends.

Item 12 :Brokerage Practices.

12. A. Does our firm select a broker/ dealer for you? On what basis do we do so? How do we determine the reasonableness of the broker’s compensation (commission charges)?

The broker/dealer that Lefavi Wealth Management recommends and uses exclusively is its related broker/dealer, Bruce A. Lefavi Securities, Inc. (BALS). Bruce A. Lefavi Securities, Inc. is integrated into the adviser’s overall business model. The integration allows such advantages as ease of order transmission and follow-up.

Commission schedules : The products sold are almost exclusively mutual funds, annuities, and/or direct participation programs where the commission schedules are set and provided by delivery of prospectus. When our related broker dealer buys or sells a commissionable security on behalf of a client, we discuss it first with the client to come to an agreement on how best to proceed. The commission schedules BALS and its clearing broker use are very standard and competitive among BALS’ peers in the industry.

12. A. 1. Research and other “Soft Dollar” benefits : We do not receive any “soft dollars” from the broker/ dealer or from any other third party.

Required disclosures / explanations:

- a. If an adviser uses client brokerage commissions (or markups or markdowns) to obtain research or other products or services, the adviser receives a benefit in not having to produce or purchase them itself.
- b. Any such benefit creates an incentive to select or recommend the broker-dealer that provides it; an adviser’s duty is to select a broker-dealer based on the most favorable execution services for the adviser’s clients.

Clients need to understand that “soft dollars” are an enticing benefit for an adviser in so far as they provide access to research and / or other products both of use to the adviser in its business and at no expense to the adviser. Clearly, such an enticement creates an incentive to use the broker-dealer in question and may cause the adviser to use a broker that charges the adviser’s clients higher commission rates than another broker-dealer. An adviser has a duty to seek the best execution of trades for its clients, which includes considerations in addition to the commission rate, however.

12. A. 2. Brokerage for client referrals

We do not direct brokerage to a specific broker-dealer in return for client referrals either to our firm or to a related firm. The inherent conflict of interest in this practice stems from an adviser’s fiduciary duty to the client to put the client’s interests first. The referrals create an incentive to use the broker-dealer not for the services a client will receive, but due to the benefit to the advisory firm. Directed brokerage may result in brokerage costs that are higher than a client might obtain from another broker-dealer.

12. A. 3.

[a] Lefavi Wealth Management does “routinely recommend” that its advisory clients use the brokerage services available through its related firm, Bruce A. Lefavi Securities, Inc.; we do not, however, “request or require” our clients to direct brokerage to our related firm. Clients may effect our recommendations through any broker dealer they may prefer. We inform our clients here that our relationship to our recommended broker dealer creates an inherent risk for a conflict of interest. By directing brokerage an adviser may not be able to achieve the most favorable execution for client transactions. Clients should know that not all advisers do require directed brokerage.

[b] Do we permit a client to direct brokerage to a specific broker-dealer? We would allow it.. Our practice is to recommend our own related broker dealer, but we do allow clients to select the broker dealer they prefer for execution of the recommended transactions. Clients should understand that their choice of broker-dealer may lead to higher brokerage costs than they might have otherwise obtained, due to higher rates or an inability to aggregate orders and thereby reduce transaction costs.

12. B. We do not aggregate or “bunch” your trade order with orders for other clients. The security types involved generally do not provide for “bunching.”

Item 13 :Review of Accounts.

13. A. Does someone in our firm review your investment account portfolio and how often?

Lefavi Wealth Management provides broad based financial planning advice for its clients. Its relationship with a client begins with an initial financial assessment and investment plan. After the plan is completed, the client may contract to engage the adviser, Lefavi Wealth Management, for ongoing investment management. As outlined in the contract, the preferred time between reviews is one year, but this may vary depending on clients’ needs and market conditions. The client may also request a review of any level at any time. Bruce A. Lefavi, President, supervises the reviews. The advisory representative with whom the client entered into an investment advisory contract conducts the review. A review will typically encompass all factors contained in the original plan.

13. B. What factors might trigger a review in addition to our periodic reviews?

Major moves in the national markets or changes in the nation’s economy, as well as any information a client makes known to us regarding changes in that client’s financial situation or goals all provide important reasons for an adviser to re-evaluate the recommendations it provides to its clients.

13. C. What regular reports do we or others provide you? Are they written reports? What do they contain? Clients receive quarterly account summary statements on their investments from the custodian of the specific assets. Some of the custodians issue monthly statements for any month in which there was activity.

In addition, Bruce A. Lefavi Annuities will provide a quarterly summary statement to the client, summarizing the value of the client’s portfolio. Bruce A. Lefavi Annuities will provide an investment report when the client comes in for an annual review. This report will summarize the client’s entire portfolio held with Bruce A. Lefavi Annuities. It includes the performance of the portfolio and will be used as the basis to make any needed changes to the client’s portfolio. We advise clients to compare our statements with any other statements they may receive.

Bruce A. Lefavi Annuities, Inc. issues out a monthly newsletter to all advisory clients as well.

Item 14 :Client Referrals and Other Compensation.

A. Does someone other than a client of our firm pay our firm or related persons, or otherwise provide some economic benefit to our firm, for the investment advice we provide to our clients? [12b-1 fees; other; sales awards or prizes] Yes. Advisory representatives who are also registered representatives of the related broker dealer will receive 12(b)-1 fees if they place an advisory client's investments in mutual funds. The payment creates an incentive to recommend such funds and thereby a potential conflict of interest. An investment adviser is to recommend to its clients only those investments that are in the client's own best interest, free of any taint of the influence that the prospect of additional income may exert. We may refer people to other companies/agents for long term care insurance and may share in the commissions.

We address the potential for a conflict of interest for an advisory representative in this situation by disclosing it to our clients.

B. Does our firm or a firm related to us through some form of ownership pay someone, directly or indirectly, for client referrals? Lefavi Wealth Management may offer a gift certificate - not to exceed \$100.00 - to any person who refers a client to applicant.

Item 15: Custody.

Does our firm have custody of your assets? Lefavi Wealth Management does not have custody of its clients' funds or securities, other than the allowed practice of "direct billing." The practice of direct billing has been defined by the SEC as a form of custody, but also as a "modern practice" that does not require annual audits, nor does the ADV require that it be marked off as custody under the sections that address that issue.. Direct billing also requires that the client receive at least quarterly statements from the account custodian, showing the advisory fee.

Note that our related broker dealer, Bruce A. Lefavi Securities, Inc. also does not have custody of its clients' assets. The qualified custodian of our clients' assets is Sterne, Agee and Leach, Inc.

The custodian will send our clients at a minimum a quarterly account statement, monthly statements or confirmations for any month in which there was trade transaction activity in the account. NOTE : These statements should be reviewed carefully. It is not the custodian's responsibility to ascertain the accuracy of the calculation for fees subtracted from your account.

Item 16 :Investment Discretion.

A. Does our firm have discretionary authority over your assets? Lefavi Wealth Management does exercise discretion over its clients' accounts with regard to the types and amounts of securities to be bought or sold for an account, for the brokerage will use and the commission rates.

Only if a client allows it specifically in writing can we exercise discretion regarding the type of securities and amount purchased. The scope of the portfolio managed by the advisor limits this discretion. The securities the advisor purchases must adhere to those guidelines to which the client has agreed; the amount of securities the advisor purchases is limited by the amount of money the client chooses to invest in the portfolio. The advisor does not have the discretion to add money to the portfolio or withdraw funds (unless to pay advisory fees as agreed to by the client).

B. What limitations are there, or can you place, on our discretionary authority? Suitability parameters,

as the client and the adviser establish in the initial interview, are the over-riding limitation on any discretion. Clients may place reasonable restrictions on the types of securities the adviser will purchase for their accounts, or regarding which securities in their accounts may be sold, if they provide clear, written directions to the adviser in advance. The firm gains discretionary authority over a client's account only if and when that client signs a limited power of attorney stating that allowance specifically. A client may revoke that permission at any time.

Clients may also specify that they want their account managed only on a non-discretionary basis.

Item 17. : Voting Client Securities.. — proxy voting practices

Our firm does not have and will not accept authority to vote client securities (proxy votes). This is our policy and our procedures : that we do not vote proxies. We state this in our agreement and here in these disclosures. Our firm urges our clients to read and participate in the voting process tied to the shares they own in various companies as an excellent means for our clients to become familiar with those companies in which they are invested.

Item 18 :Financial Information.

A. The guidelines for this section do not require our firm to provide a Balance Sheet. Advisors who have custody of their clients' securities or funds, or who have a related firm that has such custody are required to provide a balance sheet under Item 18.

Regarding Custody situations, our firm:

- Does not require prepayment of a fee of \$500 or more, 6 or more months in advance of services.
- No one in our firm act as the trustee for an advisory client.
- We do practice "Direct Billing" (charging our fees to your account), as described above in Item 15 : "Custody" – where we noted that it is a form of custody that does not carry with it any requirement for audits of separate accounts, or to be marked as "custody" in Form ADV Part 1A, or a balance sheet in this section of the ADV Part 2A.

18. B. Financial difficulties :

Because our firm has discretionary authority over our clients' assets [see Item 16], we must disclose if there is any financial condition reasonable likely to impair our firm's ability to meet its contractual commitments to its clients. There is no such financial condition to disclose for Lefavi Wealth Management. This question is important, especially if an investment adviser has discretion, custody or both; if our financial condition were precarious, our clients would be exposed to increased risks that we might not manage their assets properly, according to the SEC. Prepaid fees might not be refunded if an advisory firm were to cease being able to do business due to insolvency.

18. C. Our firm has not been the subject of a bankruptcy in the past 10 years.

Item 19 :State Registrant Information.

A. The principal executive officers and management persons of Lefavi Wealth Management who determine general investment advice for the firm's clients are:

BRUCE A. LEFAVI, PRESIDENT [1064893]

Date of Birth: 11/13/45

Formal Education after High School:

- Bachelors Degree in Electrical Engineering from University of Illinois, 1969
- Master's Degree in Business Administration from the University of Utah, 1975
- Mr. Lefavi passed his courses for the Certified Financial Planner designation.

Business Background:

- President of Bruce A. Lefavi Securities, Inc. 1981-Present
- President of Lefavi Financial Center, 1985-Present
- Managing Member of Top Hat Investments, LLC, 1995 - Present
- Managing Member of Rapid Real Estate, LLC, 1995 - Present
- Managing Member of Omega Leasing, LLC, 1995 - Present
- Member of Institute of Certified Financial Planners (ICFP), 1990-1999
- Author of "Bulletproof Your Financial Future", 1993
- Author of "Bulletproof Retirement", 2008

DALE EDWARD KING - VP Investments [CRD 1047623]

Date of Birth: 05/21/56

Formal Education after High School:

- Bachelor's Degree in Personal Financial & Estate Planning from Brigham Young University, 1981
- Life, Health, and Disability Insurance licenses, Texas 1982 Utah 2003
- FINRA Series 7 General Securities Representative, 1982
- FINRA Series 63 Uniform States Securities license, 1982
- FINRA Series 65 Registered Investment Advisor license, 1991
- FINRA Series 24 General Securities Principal license, 2000
- FINRA Series 66 Investment Advisor Representative, 2004

Business Background:

- First Financial Companies, 1982-1993
- Wall Street Investor Services, 1993-1994
- Aragon Financial Marketing, 1994-1996
- Security First Group, 1996-1999
- American Express Financial Group, 1999-2001
- SWS Financial/Southwest Securities, 2001-2003
- Lefavi Financial Center, 2003-Present
- Bruce A. Lefavi Securities, Inc., Inc. 8.6.2003 - Present
- Lefavi Wealth Management, 8.19.2004 - Present

JOHN DAVID JAICKS - VP Investments [CRD 2100233]

Date of Birth : 07/23/59

Formal Education after High School:

John graduated from Long Island University in Brookville, New York, with a Bachelor of Science Degree in Business and Finance.

Business Background:

8.27.2007 – Present : Investment Advisory representative for Lefavi Wealth Management.

11.16.2004 – 8.20.2007 : H&R Block Financial Advisors, Inc. Midvale, UT. as a financial advisor and broker
01.14.2003 – 11.16.2004 : Century Securities Associates Inc., Park City, UT. as a financial advisor and broker.

06.1998 – 11.2001 : Dean Witter Reynolds, Inc. as a broker dealer agent.

John Jaicks has over 24 years of work experience within the investment community and has been advising clients in the Salt Lake City area since 1994. During this time, he has gained the knowledge and experience essential to educating clients about their portfolios and for developing investment plans according to their individual goals and objectives. Prior to his investment career in Utah, John spent twelve years on Wall Street working in international banking and investments. His areas of specialization include retirement income planning, investment strategies and insurance. John is a Registered Investment Advisor and has obtained his FINRA licenses; Series 7, 31, 63 and 65. He also holds a life insurance license in his home state of Utah and other states.

B. The other businesses in which the persons named above are actively engaged (other than giving investment advice), including the approximate amount of time spent on those businesses [see also Item 10, above] :

Financial Securities Broker/Dealer

1. Bruce A. Lefavi is also the sole owner and President of Bruce A. Lefavi Securities Inc., a broker dealer. He acts as a registered representative of that broker dealer, as do Mr. Jaicks and Mr. King.

Life Insurance Agency

2. Bruce A. Lefavi Annuities, Inc. is also licensed as a life insurance agency. All life insurance business, primarily variable annuities, is written by Bruce A. Lefavi Annuities, Inc. for its clients.

Real Estate Management

3. Mr. Lefavi is the managing member of both Top Hat Investments, LLC (which is investment related) and Rapid Real Estate, LLC, (which is not investment related). Both firms own and manage real estate.

Office Equipment Leasing

4. Mr. Lefavi is the managing member of Omega Leasing, not an investment-related enterprise, that leases office equipment.

The approximate amount of time spent on these activities is :

- as the registered representatives of a broker-dealer:
 - a. Mr. Lefavi : ca. 10 hours per month
 - b. Mr. Jaicks: ca. 40 hours per month
 - c. Mr. King : ca. 40 hours per month
- working on real estate management : Mr. Lefavi spends approximately 8 hours per month on these businesses, not during market trading hours.
- managing Omega Leasing : Mr. Lefavi spends approximately 1 hour per month on this business.

C. Neither the firm nor any supervised person receives a performance fee. Clients should understand that that performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

D. Neither the firm nor any management person has been involved in one of the events listed under this section as regards arbitrations for investment-related activities, including fraud, nor has either been found liable in a civil, self-regulatory or administrative proceeding involving the same unethical and/ or illegal practices.

D. Of the events listed in this section, we disclose the following regarding our management persons:

An award or otherwise being *found* liable in a civil, *self-regulatory organization*, or administrative *proceeding involving* any of the following: (a) an investment or an *investment-related* business or activity: On 4.11.2000 a customer filed a complaint regarding Mr. Jaicks while he was employed by Morgan Stanley Dean Witter, alleging an unsuitable investment in municipal bonds. The alleged damages were settled for \$14,999 on 9.12.2000 without admitting any liability.

E. Neither Lefavi Wealth Management nor any of its management persons has any relationship with any issuer of securities.