

Part 2A of Form ADV: Firm Brochure

ITEM 1 COVER PAGE

Investment adviser legal name: Hartford Financial Management Inc.

(Also doing business as: HFM Wealth Management)

Business address: One Constitution Plaza, 9th Floor
Hartford, CT 06103

Contact information: Ann Cohen 860-241-0028

Website address: www.hfmonline.com

Brochure amendment date: 03/29/2012 - Annual Update

This brochure provides information about the qualifications and business practices of Hartford Financial Management, Inc. If you have any questions about the contents of this brochure, please contact us at 860-241-0028. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("the SEC") or by any state securities authority.

Additional information about Hartford Financial Management, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov.

When Hartford Financial Management, Inc. refers to itself as "registered" or as a "registered investment adviser", it refers to the firm's filing with the SEC or a state securities authority. It does not imply a certain level of skill or training, or any approval of the business practices of the firm by the SEC or state securities authorities.

ITEM 2 MATERIAL CHANGES

The date of the last **annual** update of Hartford Financial Management, Inc.'s brochure was **03/29/2011**.

This item or section contains a summary of only material changes to our brochure since the last annual update.

- A brochure amendment dated 9/26/2011 was made to reflect a change of address effective 09/26/2011 –

Old Address:
40 Pratt Street, Hartford CT 06103

New Address:
One Constitution Plaza, 9th Floor, Hartford CT 06103

All other contact information including website address, telephone numbers, and email addresses remain the same.

- A amendment was made to this brochure on 03/29/2012 to reflect an update to Item 4-E, "Assets managed on a discretionary basis", as follows:

Assets managed on a discretionary basis: \$ 715,309,000
Assets managed on a non-discretionary basis: \$ 15,634,000

TABLE of CONTENTS

ITEM 1	COVER PAGE.....	1
ITEM 2	MATERIAL CHANGES	2
ITEM 4	ADVISORY BUSINESS	4
	A. Time in business, ownership.....	4
	B. A summary of our advisory business	4
	C. Tailoring of services and programs.....	5
	D. Wrap fee programs - Not applicable.....	6
	E. Assets managed on a discretionary basis.....	6
ITEM 5	FEES and COMPENSATION	7
	A. Fee schedules	7
	B. Method of payment	7
	C. Other fees	7
	D. Timing of billing and payment. Fees due at termination.	8
	E. Compensation for sales of securities - None	8
ITEM 6	PERFORMANCE-BASED FEES & SIDE-BY-SIDE MANAGEMENT	9
ITEM 7	TYPES of CLIENTS.....	10
ITEM 8	ANALYSIS METHOD, INVESTMENT STRATEGIES, RISK of LOSS	11
ITEM 9	DISCIPLINARY INFORMATION.....	13
ITEM 10	OTHER FINANCIAL INDUSTRY ACTIVITIES & AFFILIATIONS	14
ITEM 11	CODE of ETHICS, PARTICIPATION or INTEREST in CLIENT TRANSACTIONS and PERSONAL TRADING.....	15
ITEM 12	BROKERAGE PRACTICES.....	17
	A. Factors considered in broker-dealer selection.....	17
	B. Aggregation of purchase or sale of securities	19
ITEM 13	REVIEW of ACCOUNTS	20
ITEM 14	CLIENT REFERRALS and OTHER COMPENSATION	21
ITEM 15	CUSTODY OF ASSETS	22
ITEM 16	INVESTMENT DISCRETION	23
ITEM 17	VOTING CLIENT SECURITIES.....	24
ITEM 18	FINANCIAL INFORMATION	25
ITEM 19	REQUIREMENTS for STATE-REGISTERED ADVISERS	26

ITEM 4 ADVISORY BUSINESS

A. Time in business, ownership

Hartford Financial Management, Inc. has been in business since 1989.

Mr. R. Dario Quiros is the firm's principal and owner.

B. A summary of our advisory business

We work closely with our clients or their authorized representatives to structure and develop investment programs that are individually suited to the client's stated investment goals and risk preferences.

- For our "family" or individual clients, we typically apply a comprehensive and ongoing financial-planning-style of approach. This means that we gather information and confer with the client to understand all broader financial needs and lifestyle goals for both the near and the long-term future. Using a written interview or other means, we gather data on the client's assets, sources of income, anticipated expenses, goals, and anticipated life events.

To develop the actual financial plan, we:

Do an in-depth review of the current financial position:

- > Financial and life style assets
- > Income, expenses, and cash flow
- > Debt analysis
- > Risk analysis and insurance status
- > Estate planning status and issues

Do financial & statistical analyses:

- > Modeling of assets, liabilities and cash flow
- > Projecting cash flows and asset values
- > Statistical analysis under varying market conditions

Do "What If..." scenario analyses:

- > Investment scenarios and adjustments
- > Life style issues and changes

Structure and implement the investment plan:

- > Plan objectives
- > Investment assumptions
- > Asset allocations
- > Investment guidelines and limiting parameters.

We conduct on-going management of the relationship and the portfolio:

- > Quarterly reports
- > Annual meeting & financial review
- > Incorporate lifestyle changes
- > Measure progress relative to plan
- > Consult on other issues that may impact the plan
- > Adjust holdings of individual investments and securities
- > Adjust market sector allocations and holdings
- > Adjust asset allocations to maintain investment plan allocations
- > Dynamically manage and hedge investments as market conditions warrant

- For pension / profit sharing plan clients, services vary with the assignment. For company retirement plans, we offer investment management, investment policy creation, investment menu design, QDIA selection, total cost analysis, performance monitoring, plan benchmarking, and vendor search and evaluation. As applicable, our services will be designed to comply with ERISA regulations.
- For foundations or endowments, we offer investment management, spending formula analysis, investment policy review, board member communication & education, and investment monitoring & reporting.
- For institutional clients such as banks or credit unions, services vary with the assignment. We offer investment portfolio management, balance sheet management, interest rate risk management, capital planning, and director education among other services as needed.

We supervise client portfolios on an ongoing basis by monitoring daily developments in the markets and our clients' changing circumstances, and by providing quarterly reviews of accounts for conformity with specified guidelines on a rolling basis. Those specified guidelines are spelled out in the investment advisory contract in combination with an investment policy statement--the "IPS"—unless a client declines the preparation of an IPS.

We assist in arranging for custody of clients' securities and funds with third party vendors when requested or work with a client's existing custodians and representatives.

We provide performance results on an annual basis or more frequently as required.

Code of Ethics:

As an investment adviser, Hartford Financial Management, Inc. has a written Code of Ethics which sets forth standards of conduct expected of its personnel. Investment advisers are fiduciaries and as such have the responsibility to render professional, continuous, and unbiased investment advice. Fiduciaries owe their clients a duty of honesty, good faith, and fair dealing, and must act at all times in the client's best interests and must avoid or disclose conflicts of interest. Our Code of Ethics emphasizes and implements these fundamental principals. It addresses, among other things, personal trading, gifts, the prohibition against the use of inside information, and other situations where there is a possibility for conflicts of interest. A copy of this Code of Ethics is available upon request.

C. Tailoring of services and programs

We tailor our services and programs to the individual needs of the client, including but not limited to attention to appropriateness and their stated risk tolerance.

We manage, sell, exchange, invest and otherwise deal with clients' assets in such a way that in our sole and absolute **discretion** appears to further any and all stated investment objectives. We apply our discretion in the investment advisory relationship in keeping with and subject to our firm's role as a

fiduciary.

In limited circumstances, a client may arrange in writing to limit that discretion, or to pose restrictions on investing in certain securities or types of securities. An example would be an individual client subject to employer blackout periods where he or she is not permitted by his or her employer to trade in the employer's company stock at certain times.

In general, however, we urge the client to avoid limits on discretion because it can lead to our inability to address time-sensitive matters during market events or when the client is unavailable. Understanding that changes in a client's circumstances or goals certainly require feedback, flexibility, reassessment, and adjustment of plans or strategies, limiting our discretion can also open the door to undesirable ad-hoc investment decision making by the client, difficulty addressing broader allocation, diversification, or income goals, or to excessive drift away from stated goals and plans, among other issues. Limits on discretion are the more typical structure only in our institutional client relationships where we are working with the institution's management professionals.

We offer customized investment programs, typically using direct investment in individual securities, including but not limited to:

- Stocks (equity securities)
- Fixed income securities such as bonds (municipal, government, corporate, etc.) and for certain of our clients for whom it would be appropriate, asset-backed and mortgaged-backed securities, among others
- Money market funds
- To a lesser extent we also use exchange-traded funds and mutual funds when appropriate to serve liquidity or other purposes, such as when exposure to a certain aspect of the markets is desired using a limited allocation of assets and when direct investment in individual securities is not practical or cost-effective. When we begin management of a client portfolio that already contains these types of investments, we evaluate their current and ongoing value to the overall client plan. We look at a number of measures, including but not limited to their expense ratios, performance, fund management style, effect on diversification, volatility, etc.

We also can work with separate accounts programs.

D. Wrap fee programs - Not applicable

We do NOT participate in wrap fee programs.

E. Assets managed on a discretionary basis.

See also this Item 4, C, above.

Hartford Financial Management, Inc. manages some clients on a discretionary basis, and some on a non-discretionary basis. See also Item 4, C, above for more discussion of "discretionary" management of assets. As of 12/31/2011 this was the breakdown:

Assets managed on a discretionary basis: \$715,309,000.

Assets managed on a non-discretionary basis: \$ 15,634,000.

ITEM 5 FEES and COMPENSATION

A. Fee schedules

Our fees are based on the total market value of funds under management and are billed and are payable in advance at the beginning of each quarter. Depending on circumstances, fees may be negotiable. We make no fee adjustments during any fee period for appreciation or depreciation in account asset value during that period. We do not make any fee adjustments or refunds when the total assets under management changes due to partial withdrawals by the client.

For customized portfolios of individual securities

with contracts dated April 1, 2009 or later, the fee schedule is:

Minimum Fee - \$7,500 per year, billed and payable quarterly
1.0% per year of first \$2,000,000 of assets under supervision
0.60% per year of next \$1,000,000 of assets under supervision
0.50% per year of next \$2,000,000 of assets under supervision
0.35% per year of next \$15,000,000 of assets under supervision
0.30% per year of the balance over \$20,000,000 of assets under supervision.

For customized portfolios of individual securities with contracts dated before April 1, 2009, other fee schedules applied, depending on the date the contract was executed or whether a client's fee schedule was renegotiated.

Other investment advisory programs:

Investment advisory relationships consisting of programs other than customized portfolios of individual securities are billed and payable quarterly using a negotiated fee schedule. The unused portion of the investment advisory fee for those programs is refundable upon termination of the agreement as described below.

Other Assignments:

We may accept specific assignments to provide investment advisory services to dedicated pools of funds such as growth equity pools, fixed income portfolios, cash management, etc. (We do not provide investment advisory services to investment companies / mutual funds.) The fee schedule is the same as above but negotiable for larger institutional pools. The unused portion of the investment advisory fee for those assignments is refundable upon termination of the agreement as described below.

We may accept an assignment where we furnish investment advice through consultation which may include only the review of investment programs, performance monitoring, venture evaluation, and company analysis, etc. We negotiate fees for these types of services on a case by case basis depending on the scope of work to be performed and bill them on an hourly and contract basis. The unused portion of the investment advisory fee is refundable upon termination of the agreement as described below.

B. Method of payment

The client may pay our quarterly investment advisory fees either by check made payable to our firm, or by authorizing in writing for our firm to deduct our fees each quarter directly from one or more of the client's accounts.

C. Other fees

Clients may incur other fees charged by third parties, including custodian fees, mutual fund expenses or trailer ("12B-1") fees, and bank fees. Clients will incur brokerage and other transaction costs, which are discussed in greater detail in this brochure's section on "Brokerage Practices". None of these fees are paid to or accepted by Hartford Financial Management, Inc. or its employees.

D. Timing of billing and payment. Fees due at termination.

Clients must pay our fees in advance, and are billed at the beginning of the quarter for which they are being charged our fee.

Termination:

Either the client or Hartford Financial Management, Inc. may terminate the investment advisory agreement at will by delivery of a written notice of termination to the other party to the advisory contract. The client's contract with our firm specifies the exact fee and termination terms for each account. The unused portion of investment advisory fees is refundable upon termination of the agreement as specified in the client's contract with HFM.

For accounts with contracts executed on or after April 1, 2002:

In the event of termination, the client will be entitled to a prorated refund of any pre-paid advisory fee, based on the number of calendar days from the notice date of termination through the end of the period for which the fee has been pre-paid, minus a fee schedule applicable to a 30-calendar-day termination administration period starting the termination notice date. This termination administration fee is for administrative, reporting and logistical services in connection with the account administration and termination process and shall be determined by applying the fee schedules above to the sum of account asset values as of termination notice date. In contracts executed April 1, 2002 or later, the client also grants our firm the right to deduct from the client's account an amount sufficient to pay any fees that are outstanding as of termination effective date. In contracts executed April 1, 2002 or later, to the extent that the account does not contain enough cash to cover the fees, the client grants our firm the right to liquidate securities in the account to generate cash sufficient to pay the outstanding fees.

E. Compensation for sales of securities - None

Neither our firm nor any of its principals, directors, officers or employees accepts compensation for the sales of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

ITEM 6 PERFORMANCE-BASED FEES & SIDE-BY-SIDE MANAGEMENT

Hartford Financial Management, Inc. and its principals, directors, officers and employees do not accept performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client.)

ITEM 7 TYPES of CLIENTS

Hartford Financial Management, Inc. provides investment advice to these types of clients:

- Individuals and families
- Trusts and estates
- Endowment s, foundations and charitable organizations
- Retirement plans such as pension or profit-sharing plans
- Banks, savings and loans, credit unions
- Corporations or business entities.

While we do not require an absolute minimum account size, our fee minimums usually drive the net investable asset level at which it is practical for the potential client to engage our firm to deliver our services. We may consider the size of other family member's or related accounts who are already clients during negotiation for services.

ITEM 8 ANALYSIS METHOD, INVESTMENT STRATEGIES, RISK of LOSS

Investing in securities using any strategy or analysis, whether on one's own or with the guidance of an investment adviser, involves risk of different types. The types include the risk of loss of principal, loss of the original money or assets put into the investment, among others. Clients should be prepared to bear the risk of loss when investing, regardless of the type of investment program or types of securities purchased.

In its investment advisory role, Hartford Financial Management, Inc. aims to gather information from each client about the client's risk tolerance and ability to absorb risk, as well as the client's financial resources and goals. We use the information supplied to guide our planning and investment choices for the client. We urge the client to keep us abreast of any changes in those characteristics. We also urge the client to make us aware of other investments not managed by us so that we can take the risk and characteristics of those other securities into account in the client's overall picture.

Our primary strategies in formulating investment advice or managing assets for most of our types of clients are the following: (strategies may vary for institutional—bank and credit union—clients)

- Seek capital preservation
- Seek diversification
- Seek an approach customized to the client's life or business events
- Long-term orientation/holdings, although at times purchases held less than a year may be called for due to client circumstances.

We generally rely on analysis of secular trends and cyclical trends as a basis for a fundamental approach to security evaluation and stock selection. However, trends and cycles observed in the past are no guarantee of the timing, magnitude and duration of future trends and cycles. We may also much less frequently use technical analysis or charting, tools which must not be viewed as predictive either. Because past performance is no indicator of future results, however, the client should be aware that results will vary over time using any methodology and securities from any risk category. Client should also be aware of their own tolerance for loss.

Depending on the client's investor profile, risk tolerance, needs, and financial plan, if suitable, we may use in a client's portfolio a selection of the following securities:

(Note that some securities considered for our institutional--bank or credit union--client portfolios are not necessarily appropriate for use in our individual/family or other types of client accounts.)

- exchange-listed or over-the-counter traded equities (stock) from domestic or foreign issuers
- bonds or other "fixed income" securities, including but not limited to corporate and municipal bonds, U.S. governmental securities.
- money market funds
- mutual fund shares

The risks of the securities used most often above include but are not limited to:

- risk of falling stock price of a company's stock due to the impact of business or management problems, industry problems, natural disasters, negative items in the media, the reduction or discontinuation of payment of any dividends, broader stock market conditions, etc.;
- risk of falling bond prices or defaults on interest payments, loss of principal, changes in alternatives' interest rates, and other risks;
- risk of falling mutual fund share values due to management issues or falling values of

- changing yields on money market funds, or in the extreme, failure to keep a price of \$1/share;

We may also use less frequently but only where appropriate for only certain clients: commercial paper, certificates of deposit, ETFs, warrants, covered options contracts on securities, futures contracts on intangibles, interests in partnerships investing in real estate, oil and gas interests, mortgage-backed and asset-backed securities, among others. The types, degrees, and sources of risk of these securities are too varied to discuss in full here, but those risks involve the potential loss of money for the client in varying degrees. Not all securities are appropriate for all clients.

ITEM 9 DISCIPLINARY INFORMATION

Hartford Financial Management, Inc. has no legal or disciplinary events to disclose.

ITEM 10 OTHER FINANCIAL INDUSTRY ACTIVITIES & AFFILIATIONS

Hartford Financial Management, Inc. has no other financial industry activities or affiliations to disclose.

ITEM 11 CODE of ETHICS, PARTICIPATION or INTEREST in CLIENT TRANSACTIONS and PERSONAL TRADING

A. Code of Ethics

Hartford Financial Management, Inc. is an SEC-registered investment adviser that has adopted a Code of Ethics in keeping with SEC and state rules.

Our Code of Ethics sets forth standards of conduct expected of our directors, officers, and employees. Investment advisers are fiduciaries and as such have the responsibility to give professional, continuous, and unbiased investment advice. Fiduciaries owe their clients a duty of honesty, good faith, and fair dealing, and must act at all times in the client's best interests first and must avoid or disclose conflicts of interest. Our Code of Ethics emphasizes and implements these fundamental principles.

It discusses:

- an introduction to the related regulations
- the general principles
- the scope of the code, including the topics, the persons and the securities covered by the code
- standards of business conduct*
- compliance procedures related to the code
- recordkeeping related to the code
- disclosure in our Form ADV
- administration and enforcement of the code.

*The standards of business conduct discussion addresses, among other things, compliance with laws and regulations, conflicts of interest, the explicit prohibition against the use of inside information, personal trading by our employees, gifts given by or received by our firm or our employees from certain parties, political and charitable contributions, confidentiality, outside activities, marketing, and other situations where there is a possibility for conflicts of interest.

A copy of our Code of Ethics is available upon request.

B. Hartford Financial Management, Inc. and its related persons:

- do not, as principal, buy securities from (or sell securities to) our clients
- do not act as a general partner in a partnership for which we solicit client investments
- do not act as an investment adviser to an investment company/mutual fund that we recommend to clients.

C., D. Our firm and its related persons may invest in the same securities (or related securities such as warrants, options or futures) that we or related persons recommends to clients. This presents a source of conflict of interest in connection with personal trading. A conflict of interest may arise if we or our related person has an incentive to first execute our firm's/our related person's transactions before the clients', with the intention of personally benefitting from a move in the price of the security brought on by the execution of the client transactions immediately afterwards.

Personnel of our firm may own and transact/trade in publicly traded securities which are being recommended for purchase or sale by clients. Our firm and its personnel are not control persons of the issuers of such securities, and the size of the personnel transactions is not material in light of trading market activity in such securities. Putting through personnel transactions in the same publicly traded security as a client's transaction on the same day is avoided. However, if a personnel transaction is put through on the same day as a client transaction in the same security, the transactions will generally be

entered at market, and in any event in a manner that is in keeping with our duty to preserve the client's opportunity to execute the transaction at a price at least as advantageous as the personnel transaction. From time to time personnel may pay a lower or different commission than clients.

Personnel of our firm are prohibited from acquiring any securities in an initial public offering, a limited offering, or a private offering without pre-clearance by the firm's Supervisor (currently the President) or the Chief Compliance Officer. For further discussion of related topics, a copy of the firm's written Code of Ethics as described under # 1(A)(1) will be provided to any client or prospective client upon request.

Refer also to our Code of Ethics.

ITEM 12 BROKERAGE PRACTICES

A. Factors considered in broker-dealer selection

Hartford Financial Management, Inc. considers various factors in selecting or recommending broker-dealers for client transactions and determining the reasonableness of the broker-dealer's compensation (such as commissions). The factors include, but are not limited to, the broker-dealer's ability to provide services such as:

- Custodial functions (including a custodian's ability to provide us with client account data electronically on a daily basis)
- Better-than -average execution
- Research and other "soft-dollar benefits" that we may use without having to pay for it outright or produce it ourselves.

Commissions paid for these services will be at competitive rates (as observed from gathering data using a variety of methods such as internet searches and direct inquiry.) In consideration of the types of services provided they may be higher than commissions available from firms not providing these services.

1. Research and Other "Soft-Dollar Benefits"

Research may include but is not limited to economic and financial data or analysis or investment periodicals, both that developed by the broker-dealer, and research developed by a third party. We may use research information and custodial functions obtained in exchange for commissions paid by some of its clients to service those clients and other clients as well. We do not seek to allocate soft dollar benefits to client accounts proportionately to the soft dollar credits the accounts generate. We may also receive economic benefit from non-client broker-dealers in the form of a waiver of fees normally paid to the broker-dealer for use of its proprietary software products, on-line services, proprietary seminars, and real-time quotations used in servicing clients. We have used these sorts of benefits over our last fiscal year. It is possible for a conflict of interest to arise in that we may have an incentive to select or recommend a broker-dealer based on our interest in receiving the research or other products or services, rather than on our clients' interest in receiving most favorable execution. In any case, preserving the best execution and competitive commissions policy are the first consideration. In no circumstances would we benefit from any trade error that resulted in the purchase of securities that increased in value.

It is the client's decision to custody assets with a particular broker-dealer custodian. In the case where Charles Schwab ("Schwab") is custodian, Schwab provides our firm with access to its institutional trading and custodial systems which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor's clients' assets are maintained in accounts at Schwab. Schwab's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment. For client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab's products and services that assist our firm in managing and administering clients' accounts includes software that (i) provides access to client account data; (ii) facilitates trade

execution and allocation of aggregated trades orders for multiple client accounts; (iii) provides research, pricing and other market data; (iv) facilitates payment of our fees from our clients' accounts; (v) assists with back-office functions, recordkeeping and client reporting; (vi) provides information on regulatory compliance and business management.

Our firm is independently owned and operated, and is not affiliated with Schwab.

2. Brokerage for Client Referrals

Hartford Financial Management, Inc. receives client referrals from Charles Schwab & Co., Inc. ("Schwab") through our participation in Schwab Advisor Network ("the Service"). The Service is designed to help investors find an independent investment advisor. Schwab is a broker-dealer independent of and unaffiliated with our firm. Schwab does not supervise our firm and has no responsibility for our firm's management of clients' portfolios, or our other advice or services. Our firm pays Schwab fees to receive client referrals through the Service. Our participation in the Service may raise potential conflicts of interest described below.

Our firm pays Schwab a Participation Fee on all referred clients' accounts that are maintained in custody at Schwab, and a Non-Schwab Custody Fee on all accounts that are maintained at, or transferred to, another custodian. The Participation Fee paid by our firm is calculated as a percentage of the value of the assets in the client's account. Our firm pays Schwab the Participation Fee for so long as the referred client's account remains in custody at Schwab. The Participation Fee is billed to our firm quarterly and may be increased, decreased, or waived by Schwab from time to time. The Participation Fee is paid by our firm, and not by the client. We have agreed not to charge clients referred through the Service fees or costs greater than the fees or costs we charge clients with similar portfolios who were not referred through the Service.

Our firm generally pays Schwab a Non-Schwab Custody Fee if custody of a referred client's account is not maintained by Schwab, or assets in the account are transferred from Schwab. This Fee does not apply if the client was solely responsible for the decision not to maintain custody at Schwab. The Non-Schwab Custody Fee is a one-time payment equal to a percentage of the assets placed with a custodian other than Schwab. The Non-Schwab Custody Fee is higher than the Participation Fees our firm generally would pay in a single year. Thus, our firm will have an incentive to recommend that client accounts referred by Schwab remain in custody at Schwab.

The Participation and Non-Schwab Custody Fees will be based on assets in accounts of our clients who were referred by Schwab and those referred client's family members living in the same household. Thus, our firm will have incentives to encourage household members of clients referred through the Service to maintain custody of their accounts and execute transactions at Schwab and to instruct Schwab to debit our fees directly from the accounts.

For accounts of our clients maintained in custody at Schwab, Schwab will not charge the client separately for custody but will receive compensation from our clients in the form of commissions or other transaction-related compensation on securities trades executed through Schwab. Schwab also will receive a fee (generally lower than the applicable commission on trades it executes) for clearance and settlement of trades executed through broker-dealers other than Schwab. Schwab's fees for trades executed at other broker-dealers are in addition to the other broker-dealer's fees. As such, our firm may have an incentive to cause trades to be executed through Schwab rather than another broker-dealer. We nevertheless acknowledge our duty to seek best execution of trades for client accounts. Trades for client accounts held in custody at Schwab may be executed through a different broker-dealer than trades for our other clients. Thus, trades for accounts custodied at Schwab may be executed at different times and different prices than trades for other accounts that are executed at other broker-dealers.

3. Directed Brokerage

We will have complete authority to select the broker-dealer, and to negotiate the commissions paid,

unless a client in writing specifically requests exception to this policy. If a client directs us to use a particular broker or dealer, we may not be authorized to negotiate commissions and may not be able to obtain volume discounts or best execution, which may result in increased brokerage costs to the client. It is the clients' decision where to custody their assets.

B. Aggregation of purchase or sale of securities

From time to time we may aggregate, or combine, the purchase or sale of securities for various client accounts. We will not aggregate transactions unless we believe that aggregation is consistent with our duty to seek best execution for our clients. No advisory client will be favored over any other client. Each participant in an aggregate order will participate at the average share price for the lot of transactions executed in that security on a given business day. We will prepare, before entering an aggregate order, a written allocation statement specifying the participating accounts and how we intend to allocate the order among those accounts. If the aggregate order is filled in its entirety, it will be allocated in accordance with the allocation statement. Notwithstanding that, the order may be allocated on a basis different from that specified in the allocation statement, if all client accounts receive fair and equitable treatment in keeping with investment management objectives.

Putting through trades in a larger lot may at times allow us to get access to better prices. In some cases, a larger lot may allow the purchase of a certain security that may not have been available as individual smaller lots. A larger lot to be sold may command more interest in potential buyers in the market. At times we may not aggregate orders for various reasons. At times aggregating a purchase or sale for various clients may not yield a lot large enough to garner improved execution. At other times the timing of the trade for different accounts is different, for reasons particular to the account's characteristics or requirements. Also, we may not aggregate trades is when some clients are not approved by the broker-dealer-custodian to use "Prime Broker" trading services (to execute trades through another broker but settle the trade in the client account with the broker-dealer-custodian) and we need to handle the different trades separately.

ITEM 13 REVIEW of ACCOUNTS

A. Periodic review of accounts:

- All holdings will be monitored on a regular (weekly) basis for specific company developments.
- All accounts are reviewed monthly for income receipts and disbursements.
- All accounts are reviewed quarterly for conformity to strategy and objectives.

Reviewers and their titles:

R. Dario Quiros, President; Joseph V. Buszka, Senior Director of Institutional Services; Eric B. Anderson, Director of Equity Research; G.Barrett Simson, Manager of Institutional Services; Laurence P. Brundage, Manager of Investment Services.

B. Reviews on other than a periodic basis.

In addition, accounts will be reviewed as we deem necessary in light of extreme market moves, events critical to a particular security, or client events material to that client's overall circumstances.

C. Nature and frequency of written regular reports to clients on their accounts:

- Securities Holdings Activities Reports from Custodian - Monthly
- Portfolio Evaluation Reports - Quarterly (or as requested)
- Performance Reports - Annually (or as requested).

ITEM 14 CLIENT REFERRALS and OTHER COMPENSATION

A. Arrangements providing other economic benefit. See ITEM 12.

B. Compensation for referrals.

1. Referrals by Charles Schwab & Co., Inc.
See ITEM 12.

2. Referrals by Mr. F. Michael Stapleton.

Hartford Financial Management, Inc. has an agreement with Mr. F. Michael Stapleton of Cortland, NY, where he may provide solicitation or referral services to our firm and may be compensated by us for doing so. Other than this solicitation agreement, there is no relationship or affiliation between Mr. Stapleton and our firm, its directors, officers, or employees. Compensation is for solicitation or referral that results in an investor's execution of an investment advisory contract with our firm, and is based on our advisory fees based on assets under our management. Our firm compensates Mr. Stapleton; he is/will not be compensated by investors or clients. We do not charge clients advisory fees or costs greater than the fees or costs that we charge clients who were not solicited by Mr. Stapleton and who have similar portfolios and who receive similar services from us.

ITEM 15 CUSTODY OF ASSETS

Clients' securities are held by /"custodied" with a broker-dealer, a bank, or other qualified custodian. Clients receive account statements quarterly from their broker, their bank, or other qualified custodian, and should always carefully review those statements.

Hartford Financial Management, Inc. does not maintain custody of client funds or securities, except solely in one respect as defined under the Securities and Exchange Commission ("SEC") Custody Rule under the Investment Advisers Act of 1940. Under that rule, our firm is technically deemed to have custody by virtue of having been granted by some clients the specific and limited authority to withdraw our advisory fees from their respective accounts.

Whether we deduct our fees directly from a client's account or fees are paid by check from a client, we urge our clients to compare account statements they receive from their qualified custodians with the account statements or reports they receive from our firm.

ITEM 16 INVESTMENT DISCRETION

See ITEM 4 “ADVISORY BUSINESS” of this document for the discussion of investment discretion.

ITEM 17 VOTING CLIENT SECURITIES

Proxy Voting Policy:

A client may choose to delegate to our firm the authority to vote client securities. For some accounts we may be deemed to have that responsibility under ERISA rules. Once this authority has been delegated to our firm in this manner, clients may not direct our vote in a particular solicitation.

We have a written Proxy Voting Policy that is available in full upon request. A client may contact us by phone or by mail using the contact information on the cover page of this document to request:

- > A copy of our proxy voting policies and procedures;
- > Information from us about how we voted their securities.

To be able to delegate proxy voting requirements or obligations to our firm, the client must also have granted our firm discretionary trading authority. To appoint our firm to make voting decisions and take any action on behalf of the client, he or she must execute the appropriate custodian forms, and also notify our firm in writing of any changes in these instructions to the custodian.

When a client has not given our firm the authority and responsibility for voting securities, the proxies or other solicitations will be sent to the client directly from the custodian or the transfer agent for the securities.

The Proxy Voting Policy is designed to reasonably:

- > Assure that the proxies are voted in the best interest of our clients
- > Disclose proxy voting procedures
- > Retain records relating to voting proxies on client securities
- > Describe how we identify and address potential material conflicts between its interests and those of our clients. In brief:
We screen personnel and clients for outside business activity or relationships that may introduce potential conflicts of interest. Hypothetical examples of potential conflicts of interest include when an adviser or an employee of the adviser :
 - o Manages an employee benefit/retirement plan or provides services to a company whose management is soliciting proxies;
 - o Has a business relationship with a proponent of a proxy proposal;
 - o Has a business or personal relationship with participants in a proxy contest, corporate directors or candidates for directorships;
 - o Has a financial interest in the outcome of a vote, such as when an adviser receives distribution / 12B-1 fees from a mutual fund.

ITEM 18 FINANCIAL INFORMATION

Hartford Financial Management, Inc. does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, so this question is not applicable.

ITEM 19 REQUIREMENTS for STATE-REGISTERED ADVISERS

Not Applicable.