

Krasney Financial, LLC

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Krasney Financial, LLC

Brochure

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This brochure provides information about the qualifications and business practices of Krasney Financial, LLC (the “Registrant”). If you have any questions about the contents of this brochure, please contact us at (973) 543-6660 or lemery@krasneyfinancial.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Krasney Financial, LLC also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 Material Changes

This brochure contains information about the way Krasney Financial, LLC, a registered investment adviser with the Securities and Exchange Commission, conducts business. This information is accurate as of the filing date listed on the coversheet.

We are required to provide a listing of any significant changes in this updated brochure. Future brochures will contain similar summaries. The following are significant changes made to this brochure since our last annual amendment, in March 2011:

- In December 2011, Krasney Financial became affiliated with Risk Management Associates, LLC; a commonly owned and operated insurance entity. This relationship provides a material conflict of interest, of which all clients and prospective clients should be aware. Please refer to Item 4 and Item 10 for details.

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Item 4 Advisory Business

- A. The Registrant is a limited liability company formed on March 31, 2000 in the state of New Jersey. The Registrant became registered as an Investment Adviser Firm in 1987. The Registrant is owned by Jonathan S. Krasney. Mr. Krasney is the Registrant's Managing Member.
- B. As discussed below, the Registrant offers to its clients (individuals, business entities, trusts and pension and profit sharing plans, etc.) investment advisory services, and, to the extent specifically requested by a client, financial planning and related consulting services.

INVESTMENT ADVISORY SERVICES

The client can determine to engage the Registrant to provide discretionary investment advisory services for a fee. The Registrant's annual investment advisory fee is based upon a percentage (%) of the market value of the assets placed under the Registrant's management (typically between 0.40% and 1.00% but the Registrant reserves the right to negotiate this fee) as follows:

ASSET ALLOCATION PORTFOLIOS

<u>Market Value of Portfolio</u>	<u>% of Assets</u>
First \$500,000 to \$1,000,000	1.0%
Next \$1,000,000 to \$2,000,000	0.80%
Next \$2,000,000 and greater	0.60%

FIXED INCOME ONLY PORTFOLIOS

<u>Market Value of Portfolio</u>	<u>% of Assets</u>
First \$500,001 to \$5,000,000	0.50%
Next \$5,000,001 to \$20,000,000	0.45%
Next \$20,000,001 and greater	0.40%

*For the Fixed Income Only Portfolios, in the event the client terminates the relationship within the first year, a termination fee may be assessed based on one year's full fee with credit given for any fees paid to date.

FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)

To the extent requested by a client, the Registrant *may* determine to provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone separate fee basis. Registrant's planning and consulting fees are negotiable, but generally range from \$1,500 to \$7,000 on a fixed fee basis, and from \$200 to \$250 on an hourly rate basis, depending upon the level and scope of the service(s) required and the professional(s) rendering the service(s). Prior to engaging the Registrant to provide planning or

consulting services, clients are generally required to enter into a *Financial Planning and Consulting Agreement* with Registrant setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the portion of the fee that is due from the client prior to Registrant commencing services. If requested by the client, Registrant may recommend the services of other professionals for implementation purposes, including the Registrant's Principal, Jonathan S. Krasney, in his individual capacity as a licensed insurance agent, Registrant's representative, Robin Bolton, in his individual capacity as a licensed insurance agent, Registrant's representative, Travis Marks, in his individual capacity as a licensed insurance agent, or Registrant's representative, Susan Lubin, in her individual capacity as a licensed insurance agent. Jonathan S. Krasney, Robin Bolton, Travis Marks, and Susan Lubin may all recommend certain insurance-related products through Registrant's affiliated and commonly-controlled insurance agency, Risk Management Associates, LLC, or through other unaffiliated entities. (*See* disclosure at Item 10 C.1). The client is under no obligation to engage the services of any such recommended professional or affiliated entity. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from the Registrant. **Please Note:** If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. **Please Also Note:** It remains the client's responsibility to promptly notify the Registrant if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Registrant's previous recommendations and/or services.

MISCELLANEOUS

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

Sub-Advisory Agreement. Pursuant to its discretionary authority set forth in the *Investment Advisory Agreement*, the Registrant, relative to those clients that prefer individual equities rather than mutual funds, may engage sub-advisers to assist it with the management of certain client accounts, whereby investment decisions for the account may be made by the sub-adviser in accordance with the terms and conditions of a sub-advisory agreement between the Registrant and the sub-adviser. The fees charged by the

corresponding designated broker-dealer/custodian of the client's assets, are exclusive of, and in addition to, Registrant's ongoing investment advisory fee. Factors, which the Registrant shall consider in engaging sub-advisers, include the client's stated investment objective(s), and the sub-adviser's management style, performance, reputation, financial strength, reporting, pricing, and research. The Registrant currently has arrangements with various sub-advisers, each of which has a specific investment discipline, which the adviser shall match with the client's designated investment objectives. Certain of these advisors may employ various risk hedging techniques, including short selling and option strategies. Registrant's clients are advised to inform the Registrant, in writing, if they object to the use of any such risk hedging techniques for their investment portfolios. The client acknowledges that the investment management fee payable for these sub-advisory engagements is generally higher than that set forth in the fee schedule above.

Independent Managers. The Registrant may allocate (and/or recommend that the client allocate) a portion of a client's investment assets among unaffiliated independent investment managers in accordance with the client's designated investment objective(s). In such situations, the *Independent Manager[s]* shall have day-to-day responsibility for the active discretionary management of the allocated assets. The Registrant shall continue to render investment advisory services to the client relative to the ongoing monitoring and review of account performance, asset allocation and client investment objectives. Factors which the Registrant shall consider in recommending *Independent Manager[s]* include the client's designated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research. The investment management fees charged by the designated *Independent Manager[s]*, together with the fees charged by the corresponding designated broker-dealer/custodian of the client's assets, are exclusive of, and in addition to, Registrant's ongoing investment advisory fee.

Retirement Plan Services. The Registrant may provide additional and ongoing services to a retirement plan (the "Plan") to the extent requested by the Sponsor. Those services are listed below:

- To the extent specifically engaged to do so, prepare a written Investment Policy Statement
- To the extent specifically engaged to do so, manage the Plan assets on a discretionary basis and make recommendations for additions/deletions thereto
- To the extent specifically engaged to do so, provide reporting and investment reviews on at least an annual basis
- To the extent specifically engaged to do so, recommend an appropriate custodian to safeguard the Plan assets
- To the extent specifically engaged to do so, recommend a third party administrator/record keeper to administer the Plan
- To the extent specifically engaged to do so, recommend an appropriate professional to assist with plan design/legal/tax related matters

The Registrant will act in the capacity of a "fiduciary" to the Plan as defined under Section 3(38) of the Employment Retirement Income Security Act of 1974 ("ERISA"). Unless otherwise reflected on Schedule "A" of the investment advisory agreement between the Registrant and the Plan, the only source of compensation to the Registrant shall be the fee paid to the Registrant by the Plan as mutually agreed upon in the investment advisory agreement and outlined in Items 4 and 5 of this disclosure document.

Please Note: Cash Positions. At any specific point in time, depending upon perceived or anticipated market conditions/events (there being **no guarantee** that such anticipated market conditions/events will occur), the Registrant *may* maintain cash positions for defensive purposes. All cash positions (money markets, etc.) shall be included as part of assets under management for purposes of calculating the Registrant's advisory fee. **The Registrant's Chief Compliance Officer, Jonathan S. Krasney, remains available to address any questions that a client or prospective may have regarding the above fee billing practice**

Trade Error Policy. Registrant shall reimburse accounts for losses resulting from the Registrant's trade errors, but shall not credit accounts for such errors resulting in market gains. The gains and losses are reconciled within the Registrant's custodian firm account and Registrant retains the net gains and losses.

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

Disclosure Statement. A copy of the Registrant's written Brochure as set forth on Part 2 of Form ADV shall be provided to each client prior to, or contemporaneously with, the execution of the *Investment Advisory Agreement or Financial Planning and Consulting Agreement*. Any client who has not received a copy of Registrant's written Brochure at least 48 hours prior to executing the *Investment Advisory Agreement or Financial Planning and Consulting Agreement* shall have five business days subsequent to executing the agreement to terminate the Registrant's services without penalty.

- C. The Registrant shall provide investment advisory services specific to needs of each client. Prior to providing investment advisory services, an investment adviser representative will discuss with each client, their particular investment objective(s). The Registrant shall allocate each client's investment assets consistent with their designated investment objective(s). Clients may, at anytime, impose restrictions, in writing, on the Registrant's services.
- D. The Registrant does not participate in a wrap fee program.
- E. As of March 29, 2012 the Registrant had \$313,303,896 in assets under management on a discretionary basis.

Item 5 Fees and Compensation

- A. The client can determine to engage the Registrant to provide discretionary investment advisory services for a fee. These fees are outlined below.

INVESTMENT ADVISORY SERVICES

If a client determines to engage the Registrant to provide discretionary investment advisory services on a fee basis, the Registrant's annual investment advisory fee shall be based upon a percentage (%) of the market value and type of assets placed under the Registrant's management (between 0.40% and 1.00%) as follows:

ASSET ALLOCATION PORTFOLIOS

<u>Market Value of Portfolio</u>	<u>% of Assets</u>
First \$500,000 to \$1,000,000	1.0%
Next \$1,000,000 to \$2,000,000	0.80%
Next \$2,000,000 and greater	0.60%

FIXED INCOME ONLY PORTFOLIOS

<u>Market Value of Portfolio</u>	<u>% of Assets</u>
First \$500,001 to \$5,000,000	0.50%
Next \$5,000,001 to \$20,000,000	0.45%
Next \$20,000,001 and greater	0.40%

*For the Fixed Income Only Portfolios, in the event the client terminates the relationship within the first year, a termination fee may be assessed based on one year's full fee with credit given for any fees paid to date.

FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)

To the extent specifically requested by a client, the Registrant *may* determine to provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone fee basis. Registrant's planning and consulting fees are negotiable, but generally range from \$1,500 to \$7,000 on a fixed fee basis, and from \$200 to \$250 on an hourly rate basis, depending upon the level and scope of the service(s) required and the professional(s) rendering the service(s).

- B. Clients may elect to have the Registrant's advisory fees deducted from their custodial account. Both Registrant's *Investment Advisory Agreement* and the custodial/ clearing agreement may authorize the custodian to debit the account for the amount of the Registrant's investment advisory fee and to directly remit that management fee to the Registrant in compliance with regulatory procedures. In the limited event that the Registrant bills the client directly, payment is due upon receipt of the Registrant's invoice. The Registrant shall deduct fees and/or bill clients quarterly in advance, based upon the market value of the assets on the last business day of the previous quarter.
- C. As discussed below, unless the client directs otherwise or an individual client's circumstances require, the Registrant shall generally recommend that TD Ameritrade Institutional Service ("*Ameritrade*") serve as the broker-dealer/custodian for client investment management assets. Broker-dealers such as *Ameritrade* charge brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e. transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and fixed income securities transactions). In addition to Registrant's investment management fee, brokerage commissions and/or transaction fees, clients will

also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses).

- D. Registrant's annual investment advisory fee shall be prorated and paid quarterly, in advance, based upon the market value of the assets on the last business day of the previous quarter. The Registrant generally requires an annual minimum fee of \$5,000 for Asset Allocation Portfolios and \$5,000 for Fixed Income Only Portfolios. However, Registrant, in its sole discretion, may charge a lesser investment management fee based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

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

- E. Neither the Registrant, nor any of its supervised persons accepts compensation for the sale 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 and Side-by-Side Management

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

Item 7 Types of Clients

The Registrant's clients shall generally include individuals, business entities, trusts and pension and profit sharing plans. The Registrant generally requires an annual minimum fee of \$5,000 for Asset Allocation Portfolios and \$5,000 for Fixed Income Only Portfolios. However, Registrant, in its sole discretion, may charge a lesser investment management fee based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

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

- A. The Registrant shall utilize the following methods of security analysis:
- Charting - (analysis performed using patterns to identify current trends and trend reversals to forecast the direction of prices)
 - Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)
 - Technical – (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices)

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

- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)
- Trading (securities sold within thirty (30) days)
- Short Sales (contracted sale of borrowed securities with an obligation to make the lender whole)
- Margin Transactions (use of borrowed assets to purchase financial instruments)
- Options (contract for the purchase or sale of a security at a predetermined price during a specific period of time)

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

- B. The Registrant's methods of analysis and investment strategies do not present any significant or unusual risks.

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

The Registrant's primary investment strategies - Long Term Purchases, Short Term Purchases, and Trading - are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer term investment strategy. Trading, an investment strategy that requires the purchase and sale of securities within a thirty (30) day investment time period, involves a very short investment time period but will incur higher transaction costs when compared to a short term investment strategy and substantially higher transaction costs than a longer term investment strategy.

In addition to the fundamental investment strategies discussed above, the Registrant may also implement and/or recommend – short selling, use of margin, and/or options transactions. Each of these strategies has a high level of inherent risk. (See discussion below).

Short selling is an investment strategy with a high level of inherent risk. Short selling, involves the selling of assets that the investor does not own. The investor borrows the assets from a third party lender (i.e. Broker-Dealer) with the obligation of buying identical assets at a later date to return to the third party lender. Individuals who engage

in this activity shall only profit from a decline in the price of the assets between the original date of sale and the date of repurchase. Conversely, the short seller will incur a loss if the price of the assets rises. Other costs of shorting may include a fee for borrowing the assets and payment of any dividends paid on the borrowed assets.

Margin is an investment strategy with a high level of inherent risk. A margin transaction occurs when an investor uses borrowed assets to purchase financial instruments. The investor generally obtains the borrowed assets by using other securities as collateral for the borrowed sum. The effect of purchasing a security using margin is to magnify any gains or losses sustained by the purchase of the financial instruments on margin. **Please Note:** To the extent that a client authorizes the use of margin, and margin is thereafter employed by the Registrant in the management of the client's investment portfolio, the market value of the client's account and corresponding fee payable by the client to the Registrant may be increased. As a result, in addition to understanding and assuming the additional principal risks associated with the use of margin, clients authorizing margin are advised of the potential ***conflict of interest*** whereby the client's decision to employ margin *may* correspondingly increase the management fee payable to the Registrant. Accordingly, the decision as to whether to employ margin is left totally to the discretion of client.

The use of options transactions as an investment strategy involves a high level of inherent risk. Option transactions establish a contract between two parties concerning the buying or selling of an asset at a predetermined price during a specific period of time. During the term of the option contract, the buyer of the option gains the right to demand fulfillment by the seller. Fulfillment may take the form of either selling or purchasing a security depending upon the nature of the option contract. Generally, the purchase or the recommendation to purchase an option contract by the Registrant shall be with the intent of offsetting/"hedging" a potential market risk in a client's portfolio. **Please Note:** Although the intent of the options-related transactions that may be implemented by the Registrant is to hedge against principal risk, certain of the options-related strategies (i.e. straddles, short positions, etc), may, in and of themselves, produce principal volatility and/or risk. Thus, a client must be willing to accept these enhanced volatility and principal risks associated with such strategies. In light of these enhanced risks, client may direct the Registrant, in writing, not to employ any or all such strategies for his/her/their/its accounts.

- C. Currently, the Registrant primarily allocates client investment assets among various no-load mutual funds, exchange traded funds (ETFs), fixed income assets and equity securities on a discretionary basis in accordance with the client's designated investment objective(s).

Asset Allocation Programs- Currently, the Registrant offers the following asset management tracks: Capital Preservation, Conservative Growth & Income, Growth & Income, Growth, Aggressive Growth, Income, Aggressive Income, and Fixed Income Only. The Registrant may also offer custom allocations based on client needs and requests.

Registrant's asset allocation strategies have been designed to comply with the requirements of Rule 3a-4 of the Investment Company Act of 1940. Rule 3a-4 provides similarly managed investment programs, such as Registrant's asset allocation programs, with a non-exclusive safe harbor from the definition of an investment company. In

accordance with Rule 3a-4, the following disclosure is applicable to Registrant's management of client assets:

1. Initial Interview – at the opening of the account, the Registrant, through its designated representatives, shall obtain from the client information sufficient to determine the client's financial situation and investment objectives;
2. Individual Treatment - the account is managed on the basis of the client's financial situation and investment objectives;
3. Quarterly Notice – at least quarterly the Registrant shall notify the client to advise the Registrant whether the client's financial situation or investment objectives have changed, or if the client wants to impose and/or modify any reasonable restrictions on the management of the account;
4. Annual Contact – at least annually, the Registrant shall contact the client to determine whether the client's financial situation or investment objectives have changed, or if the client wants to impose and/or modify any reasonable restrictions on the management of the account;
5. Consultation Available – the Registrant shall be reasonably available to consult with the client relative to the status of the account;
6. Quarterly Report – the client shall be provided with a quarterly report for the account for the preceding period;
7. Ability to Impose Restrictions – the client shall have the ability to impose reasonable restrictions on the management of the account, including the ability to instruct the Registrant not to purchase certain mutual funds;
8. No Pooling – the client's beneficial interest in a security does not represent an undivided interest in all the securities held by the custodian, but rather represents a direct and beneficial interest in the securities which comprise the account;
9. Separate Account - a separate account is maintained for the client with the Custodian;
10. Ownership – each client retains indicia of ownership of the account (e. g. right to withdraw securities or cash, exercise or delegate proxy voting, and receive transaction confirmations); and

The Registrant believes that its annual investment management fee is reasonable in relation to: (1) the advisory services provided under the *Investment Advisory Agreement*; and (2) the fees charged by other investment advisers offering similar services/programs. However, Registrant's annual investment management fee may be higher than that charged by other investment advisers offering similar services/programs. In addition to Registrant's annual investment management fee, the client will also incur charges imposed directly at the mutual fund level (e.g., management fees and other fund expenses). **Please Note:** Registrant's investment programs may involve above-average portfolio turnover which could negatively impact upon the net after-tax gain experienced by an individual client in a taxable account.

The mutual funds in which the Registrant may invest client funds are likely to have differing degrees of risk associated therewith. None of the investments in mutual funds are "risk-free", and certain mutual funds, particularly mutual funds that invest in futures contracts, stock index futures contracts, options on stock index futures contracts, and options on securities and stock indices, have a substantial amount of risk associated therewith.

Item 9 Disciplinary Information

The Registrant does not have any reportable disciplinary information.

Item 10 Other Financial Industry Activities and Affiliations

- A. Neither the Registrant, nor its representatives, are registered or have an application pending to register as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither the Registrant, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C.

- 1. **Licensed Insurance Agent.** Registrant's Principal, Jonathan S. Krasney, in his individual capacity is a licensed insurance agent, and may recommend the purchase of certain insurance-related products on a commission basis. Registrant's representative, Robin Bolton, in his individual capacity is a licensed insurance agent, and may recommend the purchase of certain insurance-related products on a commission basis. Registrant's representative, Travis Marks, in his individual capacity is a licensed insurance agent, and may recommend the purchase of certain insurance-related products on a commission basis. Registrant's representative, Susan Lubin, in her individual capacity is a licensed insurance agent, and may recommend the purchase of certain insurance-related products on a commission basis. Registrant's representative, Cherie G. DiNoia, in her individual capacity is a licensed insurance agent, and may recommend the purchase of certain insurance-related products on a commission basis. As referenced in Item 4.B above, clients can engage Registrant's Principal or certain representatives to effect insurance transactions on a commission basis. In December 2011, Registrant became affiliated with Risk Management Associates, LLC, an insurance agency under the common ownership of Jonathan S. Krasney. The Registrant's Principal or certain representatives may recommend certain insurance-related products through affiliated or unaffiliated entities.

- a. **Conflict of Interest:** The recommendation by either Robin Bolton, Travis Marks, Susan Lubin, Cherie G. DiNoia, or Jonathan S. Krasney that a client purchase an insurance commission product presents a *material conflict of interest*, as the receipt of commissions may provide an incentive to recommend these products based on commissions received, rather than on a particular client's need. The Registrant's affiliation with Risk Management Associates, LLC, a commonly owned and controlled insurance agency, also presents a *material conflict of interest*, as the affiliation may provide an incentive to recommend products through Risk Management Associates, LLC specifically. No client is under any obligation to purchase any commission products from Robin Bolton, Travis Marks, Susan Lubin, Cherie G. DiNoia, or Jonathan S. Krasney. Clients are reminded that they may purchase commission products recommended by Registrant through other, non-affiliated insurance agents or broker-dealers. **The Registrant's Chief Compliance Officer, Jonathan S. Krasney, remains available to address**

any questions that a client or prospective client may have regarding the above conflicts of interest.

2. **Other Investment Adviser or Financial Planner.** The Registrant is currently affiliated with two investment advisers who may solicit prospective clients on behalf of the Registrant.
 - a. **Highland Financial Group, LLC.** Mr. James Riggio is an Investment Adviser Representative and solicitor for the Registrant and, in his individual capacity, is the general partner of the Highland Multi-Strategy Fund and the Principal of Highland Financial Group, LLC, a Florida-based Registered Investment Adviser. This creates an affiliation between the Registrant and Highland Financial Group, LLC that presents a *material conflict of interest*. Currently, Highland Multi-Strategy Fund is not open for investment by clients of Krasney Financial and no clients will be solicited to invest in said fund. The Registrant and Highland Financial Group, LLC have a mutual agreement that prohibits shared clients.
 - b. **Shelby Financial Group, Inc.** Ms. Cherie G. DiNoia is an Investment Adviser Representative and solicitor for the Registrant and, in her individual capacity, is the President & Chief Compliance Officer of Shelby Financial Group, Inc., a Florida-based Registered Investment Adviser. Ms. DiNoia is also a Certified Financial Planner (CFP®). This relationship creates an affiliation between the Registrant and Shelby Financial Group, Inc. that presents a *material conflict of interest*. The Registrant and Shelby Financial Group, Inc. have a mutual agreement that prohibits shared clients.
 3. **Miscellaneous.** Registrant also owns commercial real estate through two affiliated entities called Zenjon Enterprises, LLC and JHP, LLC. Neither Zenjon Enterprises, LLC nor JHP, LLC conduct any investment related business.
- D. The Registrant does not recommend or select other investment advisers for its clients for compensation.

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

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

In accordance with Section 204A of the Investment Advisers Act of 1940, the Registrant also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by the Registrant or any person associated with the Registrant.
- B. Neither the Registrant nor any related person of Registrant recommends, buys, or sells for client accounts, securities in which the Registrant or any related person of Registrant has a material financial interest.

- C. The Registrant and/or representatives of the Registrant *may* buy or sell securities that are also recommended to clients. This practice may create a situation where the Registrant and/or representatives of the firm are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. Practices such as “scalping” (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if the Registrant did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, “front-running” (i.e., personal trades executed prior to those of the Registrant’s clients) and other potentially abusive practices.

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

- D. The Registrant and/or representatives of the Registrant *may* buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where the Registrant and/or representatives of the firm are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. As indicated above in Item 11 C, the Registrant has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of Registrant’s Access Persons.

Item 12 Brokerage Practices

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

Factors that the Registrant considers in recommending *Ameritrade* (or any other broker-dealer/custodian to clients) include historical relationship with the Registrant, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by Registrant's clients shall comply with the Registrant's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where

the Registrant determines, in good faith, that the commission/transaction fee is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of broker-dealer services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Registrant will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Registrant's investment management fee. The Registrant's best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

1. Ameritrade Institutional Customer Program

Registrant participates in *Ameritrade's* Institutional Programs (the "*Programs*") and Registrant may recommend *Ameritrade* to clients for custody and brokerage services. TD Ameritrade Institutional ("*TDA Institutional*") is a division of TD Ameritrade, Inc. member FINRA/SIPC/NFA. TD Ameritrade, Inc. is an independent and unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers to independent investment Advisors services which include custody of securities, trade execution, clearance and settlement of transactions. Registrant receives some benefits from TD Ameritrade through its participation in the *Programs*. There is no direct link between Registrant's participation in the *Programs* and the investment advice it gives to its clients, although Registrant receives economic benefits through its participation in the *Programs* that are not typically available to *Ameritrade* retail investors. These benefits include the following products and services (provided without cost or at a discount): duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing research, technology, and practice management products or services provided to Registrant by third party vendors. *Ameritrade* may also have paid for business consulting and professional services received by Registrant or its related persons. Some of the products and services made available by *Ameritrade* through the *Programs* may benefit Registrant but may not benefit its client accounts. These products or services may assist Registrant in managing and administering client accounts, including accounts not maintained at *Ameritrade*. Other services made available by *Ameritrade* are intended to help Registrant manage and further develop its business enterprise. *Ameritrade* may also pay or reimburse expenses (including travel, lodging, meals and entertainment expenses) for Registrant's representatives to attend conferences or meetings relating to the *Programs* or to *Ameritrade's* advisor custody and brokerage services generally. The benefits received by Registrant or its representatives through participation in the *Programs* do not depend on the amount of brokerage transactions directed to *Ameritrade*. Clients should be aware, however,

that the receipt of economic benefits by Registrant or its representatives in and of itself creates a potential conflict of interest and may indirectly influence Registrant's recommendation of *Ameritrade* for custody and brokerage services.

Registrant also receives from *Ameritrade* certain additional economic benefits ("Additional Services") that may or may not be offered to any other independent investment advisers participating in the *Programs*.

Ameritrade provides the Additional Services to Registrant in its sole discretion and at its own expense, and Registrant does not pay any fees to *Ameritrade* for the Additional Services. Registrant and *Ameritrade* have entered into a separate agreement ("Additional Services Addendum") to govern the terms of the provision of the Additional Services.

Registrant's receipt of Additional Services raises potential conflicts of interest. In providing Additional Services to Registrant, *Ameritrade* most likely considers the amount and profitability to *Ameritrade* of the assets in, and trades placed for, Registrant's client accounts maintained with *Ameritrade*. *Ameritrade* has the right to terminate the Additional Services Addendum with Registrant, in its sole discretion, provided certain conditions are met. Consequently, in order to continue to obtain the Additional Services from *Ameritrade*, Registrant may have an incentive to recommend to its clients that the assets under management by Registrant be held in custody with *Ameritrade* and to place transactions for client accounts with *Ameritrade*. Registrant's receipt of Additional Services does not diminish its duty to act in the best interests of its clients, including seeking best execution of trades for client accounts.

2. Ameritrade Equity Management Program

Registrant may receive succession planning, practice valuation, and equity management services from third-party vendors through Registrant's participation in the TD Ameritrade Institutional Equity Management Program. In addition to meeting the minimum eligibility criteria for participation in the TD Ameritrade Institutional Equity Management Program, Registrant may have been selected to participate in the TD Ameritrade Institutional Equity Management Program based on the amount and potential profitability to TD Ameritrade of the assets in, and trades placed for, client accounts maintained with TD Ameritrade. TD Ameritrade is a discount broker-dealer independent of and unaffiliated with Registrant and there is no employee or agency relationship between TD Ameritrade and Registrant. TD Ameritrade has established the TD Ameritrade Institutional Equity Management Program as a means of assisting independent unaffiliated advisors to grow and maintain their respective investment advisory business. TD Ameritrade does not supervise Registrant and has no responsibility for Registrant's management of client portfolios or Registrant's other advice or services to clients.

Registrant's participation in the TD Ameritrade Institutional Equity Management Program raises potential conflicts of interest. Registrant may encourage its clients to custody their assets at TD Ameritrade and whose client accounts are profitable to TD Ameritrade. Consequently, in order to participate in the TD Ameritrade Institutional Equity Management Program, Registrant may have an incentive to recommend to clients that the assets under management by Registrant be held in custody with TD

Ameritrade and to place transactions for client accounts with TD Ameritrade. Registrant's participation in the TD Ameritrade Institutional Equity Management Program does not relieve Registrant of the duty to seek best execution of trades for client accounts.

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

3. Ameritrade Institutional Advisor Panel

Registrant serves on the TD Ameritrade Institutional Advisor Panel ("*Panel*"). The *Panel* consists of approximately twenty-four independent investment advisors that advise TD Ameritrade Institutional ("TDA Institutional") on issues relevant to the independent advisor community. The *Panel* meets in person on average three to four times per year and conducts periodic conference calls on an as needed basis. Investment advisors are appointed to serve on the *Panel* for two year terms by *Ameritrade*. An investment advisor may serve longer than two years if appointed to additional terms by *Ameritrade* senior management. Registrant's appointment has been appointed to an indefinite term. At times, *Panel* members are provided confidential information about *Ameritrade* initiatives. Panel members are required to sign confidentiality agreements. *Ameritrade* does not compensate *Panel* members. However, *Ameritrade* pays or reimburses Registrant for the travel, lodging and meal expenses Registrant incurs in attending *Panel* meetings. The benefits received by Registrant or its representatives by serving on the *Panel* do not depend on the amount of brokerage transactions directed to *Ameritrade*. Clients should be aware, however, that the receipt of economic benefits by Registrant or its representatives in and of itself creates a potential conflict of interest and may indirectly influence Registrant's recommendation of *Ameritrade* for custody and brokerage services.

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

4. Ameritrade Institutional Operations Panel

Registrant serves on the TD Ameritrade Institutional Operations Panel ("*Panel*"). The *Panel* consists of approximately twenty-four independent investment advisors that advise TD Ameritrade Institutional ("TDA Institutional") on issues relevant to the independent advisor community. The *Panel* meets in person on average three to four times per year and conducts periodic conference calls on an as needed basis. Investment advisors are appointed to serve on the *Panel* for two year terms by *Ameritrade*. An investment advisor may serve longer than two years if appointed to additional terms by *Ameritrade* senior management. Registrant's appointment has been appointed to an indefinite term. At times, *Panel* members are provided confidential information about *Ameritrade* initiatives. Panel members are required to sign confidentiality agreements. *Ameritrade* does not compensate *Panel* members. However, *Ameritrade* pays or reimburses Registrant for the travel, lodging and meal expenses Registrant incurs in attending *Panel* meetings. The benefits received by Registrant or its representatives by serving on the *Panel* do not depend on the amount of brokerage transactions directed to *Ameritrade*. Clients should be aware, however, that the receipt of economic benefits by Registrant or its representatives in and of

itself creates a potential conflict of interest and may indirectly influence Registrant's recommendation of *Ameritrade* for custody and brokerage services.

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

5. Advisor Direct Referral Program

Registrant may receive client referrals from *Ameritrade* through its participation in *Ameritrade* AdvisorDirect (the "*AdvisorDirect*"). In addition to meeting the minimum eligibility criteria for participation in *AdvisorDirect*, Registrant may have been selected to participate in *AdvisorDirect* based on the amount and profitability to *Ameritrade* of the assets in, and trades placed for, client accounts maintained with *Ameritrade*. *Ameritrade* is a discount broker-dealer independent of and unaffiliated with Registrant and there is no employee or agency relationship between them. *Ameritrade* has established the referral program as a means of referring its brokerage customers and other investors seeking fee-based personal investment management services or financial planning services to independent investment advisors. *Ameritrade* does not supervise Registrant and has no responsibility for Registrant's management of client portfolios or Registrant's other advice or services. Registrant pays *Ameritrade* an on-going fee for each successful client referral. This fee is usually a percentage (not to exceed 25%) of the advisory fee that the client pays to Registrant ("Solicitation Fee"). Registrant will also pay *Ameritrade* the Solicitation Fee on any advisory fees received by Registrant from any of a referred client's family members, including a spouse, child or any other immediate family member who resides with the referred client and hired Registrant on the recommendation of such referred client. Registrant will not charge clients referred through *AdvisorDirect* any fees or costs higher than its standard fee schedule offered to its clients or otherwise pass Solicitation Fees paid to *Ameritrade* to its clients.

Registrant's participation in *AdvisorDirect* raises potential conflicts of interest. *Ameritrade* will most likely refer clients through *AdvisorDirect* to investment advisors that encourage their clients to custody their assets at *Ameritrade* and whose client accounts are profitable to *Ameritrade*. Consequently, in order to obtain client referrals from *Ameritrade*, Registrant may have an incentive to recommend to clients that the assets under management by Registrant be held in custody with *Ameritrade* and to place transactions for client accounts with *Ameritrade*. In addition, Registrant has agreed not to solicit clients referred to it through *AdvisorDirect* to transfer their accounts from *Ameritrade* or to establish brokerage or custody accounts at other custodians, except when its fiduciary duties require doing so. Registrant's participation in *AdvisorDirect* does not diminish its duty to seek best execution of trades for client accounts.

In addition, Registrant may receive additional benefits from participation in *AdvisorDirect*. There is no direct link between Registrant's participation in the program and the investment advice it gives to its clients, although Registrant receives economic benefits through its participation in the program that are typically not available to *Ameritrade* retail investors. These benefits include the receipt of duplicate client statements; access to a trading desk serving adviser participants; access to block trading (which provides the ability to aggregate securities transactions

for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to Registrant by third party vendors. The benefits received by Registrant or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to *Ameritrade*. As part of its fiduciary duties to clients, Registrant endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Registrant or its representatives creates a conflict of interest.

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

6. Ameritrade AdvisorDirect Leadership Council

Registrant serves on the *Ameritrade* AdvisorDirect Leadership Council ("*Council*"). The *Council* meets in person on average one or two times per year and conducts periodic conference calls on an as needed basis. Investment advisors are appointed to serve on the *Council* for two-year terms by *Ameritrade* senior management. An investment advisor may serve longer than two years if appointed to additional terms by *Ameritrade* senior management. At times, *Council* members are provided confidential information about *Ameritrade* Institutional initiatives. *Council* members are required to sign confidentiality agreements. *Ameritrade* does not compensate *Council* members. However, *Ameritrade* pays or reimburses Registrant for the travel, lodging and meal expenses Registrant incurs in attending *Council* meetings. The benefits received by Registrant or its personnel by serving on the *Council* do not depend on the amount of brokerage transactions directed to *Ameritrade*. Clients should be aware, however, that the receipt of economic benefits by Registrant or its representatives in and of itself creates a potential conflict of interest and may indirectly influence Registrant's recommendation of *Ameritrade* for custody and brokerage services.

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

7. "iRebal"

Registrant considers a number of factors in selecting brokers and custodians at which to locate (or recommend location of) its client accounts, including, but not limited to, execution capability, experience and financial stability, reputation and the quality of services provided. In selecting *Ameritrade* as the broker and custodian for certain of its current and future client accounts, Registrant takes into consideration its arrangement with *Ameritrade* as to obtaining price discounts for *Ameritrade*'s automatic portfolio rebalancing service for advisors known as "iRebal".

The standard iRebal annual license fee applicable to Registrant is \$20,000. That fee is subject to specified reductions (and even complete waiver) if specified amounts of

client taxable assets are either already on the *Ameritrade* platform or are committed to be placed on it. Specified taxable client assets either maintained on or committed to the *Ameritrade* platform will bring fee reductions of up to 100% per year for each of as many as three years or more.

The non-taxable assets excluded from the maintenance and commitment levels described above are those that constitute “plan assets” of plans subject to Title 1 of the Employee Retirement Income Security Act of 1974, amended, or of plans as defined in Section 4975 of the Internal Revenue Code (which include IRAs).

If Registrant does not maintain the relevant level of taxable assets on the *Ameritrade* platform, Registrant may be required to make a penalty fee payment to *Ameritrade* calculated on the basis of the shortfall.

Although *Registrant* believes that the products and services offered by *Ameritrade* are competitive in the market place for similar services offered by other broker-dealers or custodians, the arrangement with *Ameritrade* as to the iRebal service may affect Registrant’s independent judgment in selecting or maintaining *Ameritrade* as the broker or custodian for client accounts.

The Registrant’s Chief Compliance Officer, Jonathan S. Krasney, remains available to address any questions that a client or prospective may have regarding the above arrangement and any corresponding conflict of interest such arrangement may create.

8. Research and Additional Benefits

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Registrant may receive from *Ameritrade* (or another broker-dealer/custodian) without cost (and/or at a discount) support services and/or products, certain of which assist the Registrant to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by the Registrant may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by Registrant in furtherance of its investment advisory business operations. Included within the support services that is obtained by the Registrant from *Ameritrade* is a Bloomberg terminal and Bloomberg’s media services which provide the Registrant with real-time and archived financial and market data, pricing, trading, news and communication tools in a single integrated package. The cost of the Bloomberg service (\$24,000 annually-plus any applicable sales and/or use tax-based upon 2011 pricing) is paid directly by *Ameritrade* to Bloomberg, thereby resulting in an economic benefit to the Registrant.

As indicated above, certain of the support services and/or products that *may* be received may assist the Registrant in managing and administering client accounts. Others do not directly provide such assistance, but rather assist the Registrant to manage and further develop its business enterprise.

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

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

9. Registrant may receive client referrals from *Ameritrade* through its participation in *AdvisorDirect*.

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

10. The Registrant does not engage in directed brokerage arrangements.

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

Item 13 Review of Accounts

- A. For those clients to whom Registrant provides investment supervisory services, account reviews are conducted on an ongoing basis by Registrant's representatives. All investment supervisory and financial planning clients are encouraged to discuss with Registrant his/hers/their/its investment objectives, needs and goals to keep the Registrant informed of any changes regarding same. All clients are encouraged to meet, at least annually, with Registrant to comprehensively review investment objectives and account performance.

- B. The Registrant *may* conduct account reviews on an other than periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.
- C. Clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer/custodian for the client accounts. Those clients whom Registrant provides investment advisory services will also receive a quarterly report from the Registrant summarizing account activity and performance.

Item 14 Client Referrals and Other Compensation

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

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

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

- B. If a client is introduced to the Registrant by either an unaffiliated or an affiliated solicitor, Registrant *may* pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements. Any such referral fee shall be paid solely from the Registrant's investment management fee, and shall not result in any additional charge to the client. If the client is introduced to the Registrant by an unaffiliated solicitor, the solicitor, at the time of the solicitation, shall disclose the nature of his/her/its solicitor relationship, and shall provide each prospective client with a copy of the Registrant's written Brochure with a copy of the written disclosure statement from the solicitor to the client disclosing the terms of the solicitation arrangement between the Registrant and the solicitor, including the compensation to be received by the solicitor from the Registrant.

Item 15 Custody

The Registrant shall have the ability to have its advisory fee for each client debited by the custodian on a quarterly basis. Clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer/custodian for the client accounts. Those clients whom Registrant provides investment advisory services will also receive a quarterly report from the Registrant summarizing account activity and performance.

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

Item 16 Investment Discretion

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

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

Item 17 Voting Client Securities

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

Item 18 Financial Information

- A. The Registrant does not solicit fees of more than \$1,200, per client, six months or more in advance.
- B. The Registrant is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. The Registrant has not been the subject of a bankruptcy petition at any time during the last ten (10) years.

Item 1 Cover Page

A.

Jonathan S. Krasney

Krasney Financial, LLC

Brochure Supplement

Dated 6/27/2012

Contact: Jonathan S. Krasney, Chief Compliance Officer

5 Cold Hill Road, Suite 15

Mendham, New Jersey 07945

B.

This brochure supplement provides information about Jonathan S. Krasney that supplements the Krasney Financial, LLC brochure. You should have received a copy of that brochure. Please contact Jonathan S. Krasney, Chief Compliance Officer if you did *not* receive Krasney Financial's brochure or if you have any questions about the contents of this supplement.

Additional information about Jonathan S. Krasney is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 Education Background and Business Experience

Jonathan S. Krasney was born in 1947. Mr. Krasney attended the University of Louisville and the University of Kentucky. Mr. Krasney has been President of Krasney Financial, LLC since October of 1992.

Mr. Krasney became a Certified Financial Planner (CFP®) in April 1993. The CFP® designation identifies individuals who have completed the mandatory examination, education, experience, and ethics requirements mandated by the CFP® Board. Candidates must have at least three years of qualifying work experience that relates to financial planning. CFP® candidates must pass an examination that covers over 100 financial planning topics, which broadly include: general principles of financial planning, insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning. Finally, candidates have ongoing ethics requirements and oversight by the CFP® Board.

Item 3 Disciplinary Information

None.

Item 4 Other Business Activities

- A. The supervised person is not actively engaged in any other investment-related business or occupation.
- B. **Licensed Insurance Agents.** Mr. Krasney, in his individual capacity, is a licensed insurance agent, and may recommend the purchase of certain insurance-related products on a commission basis. Clients can engage Mr. Krasney to effect insurance transactions on a commission basis. Mr. Krasney also owns an insurance entity, Risk Management Associates, LLC, as its sole managing member. Mr. Krasney may recommend certain insurance-related products through affiliated or unaffiliated entities. **Conflict of Interest:** The recommendation by Mr. Krasney that a client purchase an insurance commission product presents a *material conflict of interest*, as the receipt of commissions may provide an incentive to recommend investment products based on commissions received, rather than on a particular client's need. The Registrant's affiliation with Risk Management Associates, LLC, as noted above, also presents a *material conflict of interest*, as the affiliation through common ownership may provide an incentive to recommend products through Risk Management Associates, LLC specifically. No client is under any obligation to purchase any insurance commission products from Mr. Krasney. Clients are reminded that they may purchase insurance products recommended by the Registrant through other, non-affiliated insurance agents. **The Registrant's Chief Compliance Officer, Jonathan S. Krasney, remains available to address any questions that a client or prospective may have regarding the above conflict of interest.**

Item 5 Additional Compensation

Mr. Krasney may receive additional compensation in the form of discretionary bonuses that are based in client referrals, new accounts, or number or amount of sales.

Item 6 Supervision

The Registrant has and provides investment advisory and supervisory services in accordance with the Registrant's policies and procedures manual. The primary purpose of the *Registrant's* Rule 206(4)-7 policies and procedures is to comply with the requirements of supervision requirements of Section 203(e)(6) of the Investment Advisor's Act. The Registrant's Chief Compliance Officer, Jonathan S. Krasney, is primarily responsible for implementation of the *Registrant's* policies and procedures. Should an employee or investment adviser representative of the *Registrant* have any questions regarding the applicability/relevance of the *Act*, the *Rules*, any section thereof, or any section of the policies and procedures, he/she should address those questions with the Chief Compliance Officer. Mr. Krasney can be reached at (973) 543-6660.

Item 1 Cover Page

A.

Stephen E. Tuttle

Krasney Financial, LLC

Brochure Supplement

Dated 6/27/2012

Contact: Jonathan S. Krasney, Chief Compliance Officer
5 Cold Hill Road, Suite 15
Mendham, New Jersey 07945

B.

This brochure supplement provides information about Stephen E. Tuttle that supplements the Krasney Financial, LLC brochure. You should have received a copy of that brochure. Please contact Jonathan S. Krasney, Chief Compliance Officer if you did *not* receive Krasney Financial's brochure or if you have any questions about the contents of this supplement.

Additional information about Stephen E. Tuttle is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 Education Background and Business Experience

Stephen E. Tuttle was born in 1969. Mr. Tuttle graduated from St. Michael's College, with a Bachelor of Arts degree in Economics and an MBA from Fordham Graduate School of Business. Mr. Tuttle has been Chief Investment Officer of Krasney Financial, LLC since November of 2001.

Item 3 Disciplinary Information

None.

Item 4 Other Business Activities

A. The supervised person is not actively engaged in any other investment-related business or occupation.

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

Item 5 Additional Compensation

Mr. Tuttle may receive additional compensation in the form of discretionary bonuses that are based in client referrals, new accounts, or number or amount of sales.

Item 6 Supervision

The Registrant has and provides investment advisory and supervisory services in accordance with the Registrant's policies and procedures manual. The primary purpose of the *Registrant's* Rule 206(4)-7 policies and procedures is to comply with the requirements of supervision requirements of Section 203(e)(6) of the Investment Advisor's Act. The Registrant's Chief Compliance Officer, Jonathan S. Krasney, is primarily responsible for implementation of the *Registrant's* policies and procedures. Should an employee or investment adviser representative of the *Registrant* have any questions regarding the applicability/relevance of the *Act*, the *Rules*, any section thereof, or any section of the policies and procedures, he/she should address those questions with the Chief Compliance Officer. Mr. Krasney can be reached at (973) 543-6660.

Item 1 Cover Page

A.

Travis D. Marks

Krasney Financial, LLC

Brochure Supplement
Dated 6/27/2012

Contact: Jonathan S. Krasney, Chief Compliance Officer
5 Cold Hill Road, Suite 15
Mendham, New Jersey 07945

B.

This brochure supplement provides information about Travis D. Marks that supplements the Krasney Financial, LLC brochure. You should have received a copy of that brochure. Please contact Jonathan S. Krasney, Chief Compliance Officer if you did *not* receive Krasney Financial's brochure or if you have any questions about the contents of this supplement.

Additional information about Travis D. Marks is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 Education Background and Business Experience

Travis D. Marks was born in 1982. Mr. Marks graduated from Fairleigh Dickinson University, with a Bachelor of Science degree in Finance and an MBA. Mr. Marks has been Vice President of Investments and Client Relations of Krasney Financial, LLC since November of 2005.

Mr. Marks became a Certified Financial Planner (CFP®) in June 2010. The CFP® designation identifies individuals who have completed the mandatory examination, education, experience, and ethics requirements mandated by the CFP® Board. Candidates must have at least three years of qualifying work experience that relates to financial planning. Candidates are required to hold a bachelors degree from an accredited university. CFP® candidates must pass an examination that covers over 100 financial planning topics, which broadly include: general principles of financial planning, insurance planning and risk management, employee benefits planning, investment

planning, income tax planning, retirement planning, and estate planning. Finally, candidates have ongoing ethics requirements and oversight by the CFP® Board.

Item 3 Disciplinary Information

Mr. Marks may receive additional compensation in the form of discretionary bonuses that are based in client referrals, new accounts, or number or amount of sales.

Item 4 Other Business Activities

A. The supervised person is not actively engaged in any investment-related business or occupation.

B. **Licensed Insurance Agents.** Mr. Marks, in his individual capacity, is a licensed insurance agent, and may recommend the purchase of certain insurance-related products on a commission basis. Clients can engage Mr. Marks to effect insurance transactions on a commission basis. Mr. Marks may recommend certain insurance-related products through affiliated or unaffiliated entities. **Conflict of Interest:** The recommendation by Mr. Marks that a client purchase an insurance commission product presents a *material conflict of interest*, as the receipt of commissions may provide an incentive to recommend investment products based on commissions received, rather than on a particular client's need. The Registrant's affiliation with Risk Management Associates, LLC, as noted above, also presents a *material conflict of interest*, as the affiliation through common ownership may provide an incentive to recommend products through Risk Management Associates, LLC specifically. No client is under any obligation to purchase any insurance commission products from Mr. Marks. Clients are reminded that they may purchase insurance products recommended by the Registrant through other, non-affiliated insurance agents. **The Registrant's Chief Compliance Officer, Jonathan S. Krasney, remains available to address any questions that a client or prospective may have regarding the above conflict of interest.**

Item 5 Additional Compensation

None.

Item 6 Supervision

The Registrant has and provides investment advisory and supervisory services in accordance with the Registrant's policies and procedures manual. The primary purpose of the Registrant's Rule 206(4)-7 policies and procedures is to comply with the requirements of supervision requirements of Section 203(e)(6) of the Investment Advisor's Act. The Registrant's Chief Compliance Officer, Jonathan S. Krasney, is primarily responsible for implementation of the Registrant's policies and procedures. Should an employee or investment adviser representative

of the *Registrant* have any questions regarding the applicability/relevance of the *Act*, the *Rules*, any section thereof, or any section of the policies and procedures, he/she should address those questions with the Chief Compliance Officer. Mr. Krasney can be reached at (973) 543-6660.

Item 1 Cover Page

A.

Stephen A. Casey

Krasney Financial, LLC

Brochure Supplement
Dated 6/27/2012

Contact: Jonathan S. Krasney, Chief Compliance Officer
5 Cold Hill Road, Suite 15
Mendham, New Jersey 07945

B.

This brochure supplement provides information about Stephen A. Casey that supplements the Krasney Financial, LLC brochure. You should have received a copy of that brochure. Please contact Jonathan S. Krasney, Chief Compliance Officer if you did *not* receive Krasney Financial's brochure or if you have any questions about the contents of this supplement.

Additional information about Stephen A. Casey is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 Education Background and Business Experience

Stephen A. Casey was born in 1966. Mr. Casey attended Rutgers University. Mr. Casey has been an investment adviser representative of Krasney Financial, LLC since October of 2007. From October 2005 to September 2007, Mr. Casey was a Loan Officer for North American Home Loans.

Item 3 Disciplinary Information

None.

Item 4 Other Business Activities

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

Item 5 Additional Compensation

Mr. Casey may receive additional compensation in the form of solicitation fees based on client referrals, as disclosed in the Registrant's Solicitor Disclosure Statement. Mr. Casey may also receive discretionary bonuses that are based in number or amount of sales and new accounts.

Item 6 Supervision

The Registrant has and provides investment advisory and supervisory services in accordance with the Registrant's policies and procedures manual. The primary purpose of the *Registrant's* Rule 206(4)-7 policies and procedures is to comply with the requirements of supervision requirements of Section 203(e)(6) of the Investment Advisor's Act. The Registrant's Chief Compliance Officer, Jonathan S. Krasney, is primarily responsible for implementation of the *Registrant's* policies and procedures. Should an employee or investment adviser representative of the *Registrant* have any questions regarding the applicability/relevance of the *Act*, the *Rules*, any section thereof, or any section of the policies and procedures, he/she should address those questions with the Chief Compliance Officer. Mr. Krasney can be reached at (973) 543-6660.

Item 1 Cover Page

A.

Volodymyr Stasenko

Krasney Financial, LLC

Brochure Supplement
Dated 6/27/2012

Contact: Jonathan S. Krasney, Chief Compliance Officer
5 Cold Hill Road, Suite 15
Mendham, New Jersey 07945

B.

This brochure supplement provides information about Volodymyr Stasenko that supplements the Krasney Financial, LLC brochure. You should have received a copy of that brochure. Please contact Jonathan S. Krasney, Chief Compliance Officer if you did *not* receive Krasney Financial's brochure or if you have any questions about the contents of this supplement.

Additional information about Volodymyr Stasenko is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 Education Background and Business Experience

Volodymyr Stasenko was born in 1985. Mr. Stasenko graduated from Fairleigh Dickinson University, with a Bachelor of Science degree in Finance. Mr. Stasenko has been a Portfolio Administrator of Krasney Financial, LLC since June of 2007. From September 2003 to June 2007, Mr. Stasenko was a Customer Service Representative for Commerce Bancorp.

Item 3 Disciplinary Information

None.

Item 4 Other Business Activities

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

Item 5 Additional Compensation

Mr. Stasenکو may receive additional compensation in the form of discretionary bonuses that are based in client referrals, new accounts, or number or amount of sales.

Item 6 Supervision

The Registrant has and provides investment advisory and supervisory services in accordance with the Registrant's policies and procedures manual. The primary purpose of the *Registrant's* Rule 206(4)-7 policies and procedures is to comply with the requirements of supervision requirements of Section 203(e)(6) of the Investment Advisor's Act. The Registrant's Chief Compliance Officer, Jonathan S. Krasney, is primarily responsible for implementation of the *Registrant's* policies and procedures. Should an employee or investment adviser representative of the *Registrant* have any questions regarding the applicability/relevance of the *Act*, the *Rules*, any section thereof, or any section of the policies and procedures, he/she should address those questions with the Chief Compliance Officer. Mr. Krasney can be reached at (973) 543-6660.

Item 1 Cover Page

A.

Robin Bolton

Krasney Financial, LLC

Brochure Supplement
Dated 6/27/2012

Contact: Jonathan S. Krasney, Chief Compliance Officer
5 Cold Hill Road, Suite 15
Mendham, New Jersey 07945

B.

This brochure supplement provides information about Robin Bolton that supplements the Krasney Financial, LLC brochure. You should have received a copy of that brochure. Please contact Jonathan S. Krasney, Chief Compliance Officer if you did *not* receive Krasney Financial's brochure or if you have any questions about the contents of this supplement.

Additional information about Robin Bolton is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 Education Background and Business Experience

Robin Bolton was born in 1946. Mr. Bolton graduated from Queens University Belfast, with a degree in Economics. Mr. Bolton has been an investment adviser representative of Krasney Financial, LLC since March of 2010. Mr. Bolton was employed as a registered representative of Comprehensive Asset Management and Servicing, Inc. from March of 2010 to March of 2011. From May 2003 to March 2010, Mr. Bolton was employed as a registered representative of MML Investor Services and an Agent with Mass Mutual.

Mr. Bolton became a Fellow of the Institute of Chartered Accountants (FCA) in Ireland in 1979 after ten years as an Associate of the Institute (ACA). The Institute of Chartered Accountants is a professional accountancy body with the sole right to award the Chartered Accountant designation. Members of the Institute must pass a series of three qualifying exams and gain sufficient work experience under a training contract with a training organization recognized by

the Institute. Members of the Institute initially use the designator ACA, but senior members may be elected Fellows and use the designator FCA.

Item 3 Disciplinary Information

None.

Item 4 Other Business Activities

- A. The supervised person is not actively engaged in any investment-related business or occupation.
- B. **Licensed Insurance Agents.** Mr. Bolton, in his individual capacity, is a licensed insurance agent, and may recommend the purchase of certain insurance-related products on a commission basis. Clients can engage Mr. Bolton to effect insurance transactions on a commission basis. Mr. Bolton may recommend certain insurance-related products through affiliated or unaffiliated entities. **Conflict of Interest:** The recommendation by Mr. Bolton that a client purchase an insurance commission product presents a *material conflict of interest*, as the receipt of commissions may provide an incentive to recommend investment products based on commissions received, rather than on a particular client's need. The Registrant's affiliation with Risk Management Associates, LLC, as noted above, also presents a *material conflict of interest*, as the affiliation through common ownership may provide an incentive to recommend products through Risk Management Associates, LLC specifically. No client is under any obligation to purchase any insurance commission products from Mr. Bolton. Clients are reminded that they may purchase insurance products recommended by the Registrant through other, non-affiliated insurance agents. **The Registrant's Chief Compliance Officer, Jonathan S. Krasney, remains available to address any questions that a client or prospective may have regarding the above conflict of interest.**

Item 5 Additional Compensation

Mr. Bolton may receive additional compensation in the form of solicitation fees based on client referrals, as disclosed in the Registrant's Solicitor Disclosure Statement. Mr. Bolton may also receive discretionary bonuses that are based in number or amount of sales and new accounts.

Item 6 Supervision

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of the *Registrant* have any questions regarding the applicability/relevance of the *Act*, the *Rules*, any section thereof, or any section of the policies and procedures, he/she should address those questions with the Chief Compliance Officer. Mr. Krasney can be reached at (973) 543-6660.

Item 1 Cover Page

A.

Richard J. Krasney

Krasney Financial, LLC

Brochure Supplement

Dated 6/27/2012

Contact: Jonathan S. Krasney, Chief Compliance Officer
5 Cold Hill Road, Suite 15
Mendham, New Jersey 07945

B.

This brochure supplement provides information about Robin Bolton that supplements the Krasney Financial, LLC brochure. You should have received a copy of that brochure. Please contact Jonathan S. Krasney, Chief Compliance Officer if you did *not* receive Krasney Financial's brochure or if you have any questions about the contents of this supplement.

Additional information about Richard J. Krasney is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 Education Background and Business Experience

Richard J. Krasney was born in 1973. Mr. Krasney attended the New England College where he studied Business/Communications from 1992-1994. Mr. Krasney was previously employed as an Investment Advisory Representative with Krasney Financial, LLC from 2002-2007 and as the President of RJK Wealth Management from 2007-2011, before rejoining Krasney Financial in November 2011.

Mr. Krasney became a Certified Financial Planner (CFP®) in March 2005. The CFP® designation identifies individuals who have completed the mandatory examination, education, experience, and ethics requirements mandated by the CFP® Board. Candidates must have at least three years of qualifying work experience that relates to financial planning. CFP® candidates must pass an examination that covers over 100 financial planning topics, which broadly include: general principles of financial planning, insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate

planning. Finally, candidates have ongoing ethics requirements and oversight by the CFP® Board.

Item 3 Disciplinary Information

None.

Item 4 Other Business Activities

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

Item 5 Additional Compensation

Mr. Krasney may receive additional compensation in the form of discretionary bonuses that are based in client referrals, new accounts, or number or amount of sales.

Item 6 Supervision

The Registrant has and provides investment advisory and supervisory services in accordance with the Registrant's policies and procedures manual. The primary purpose of the *Registrant's* Rule 206(4)-7 policies and procedures is to comply with the requirements of supervision requirements of Section 203(e)(6) of the Investment Advisor's Act. The Registrant's Chief Compliance Officer, Jonathan S. Krasney, is primarily responsible for implementation of the *Registrant's* policies and procedures. Should an employee or investment adviser representative of the *Registrant* have any questions regarding the applicability/relevance of the *Act*, the *Rules*, any section thereof, or any section of the policies and procedures, he/she should address those questions with the Chief Compliance Officer. Mr. Krasney can be reached at (973) 543-6660.

Item 1 Cover Page

A.

James Riggio

Krasney Financial, LLC

Brochure Supplement

Dated 6/27/2012

Contact: Jonathan S. Krasney, Chief Compliance Officer
5 Cold Hill Road, Suite 15
Mendham, New Jersey 07945

B.

This brochure supplement provides information about James Riggio that supplements the Krasney Financial, LLC brochure. You should have received a copy of that brochure. Please contact Jonathan S. Krasney, Chief Compliance Officer if you did *not* receive Krasney Financial's brochure or if you have any questions about the contents of this supplement.

Additional information about James Riggio is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 Education Background and Business Experience

James Riggio was born in 1962. Mr. Riggio graduated from Polytechnic Institute of New York University with a Bachelor of Science in Computer Science in 1984 and a Masters degree in Management and Information Technology in 1990. Mr. Riggio has been employed as an Investment Manager with Highland Financial Group LLC since 1999 and became a managing member of the firm in 2006, a position he still holds today. Mr. Riggio became an Investment Advisory Representative of Krasney Financial, LLC in May of 2012.

Item 3 Disciplinary Information

Highland Financial Group, LLC (for which Mr. Riggio is the Principal) was fined by the State of Florida, Office of Financial Regulation for displaying a beta version of the Highland Financial Group, LLC website prior to registration approval. Highland Financial Group, LLC has filed all necessary registration paperwork and has resolved the matter through the State of Florida, Office of Financial Regulation.

Highland Financial Group, LLC was also cited for violations of certain provisions of Chapter 517, Florida Statutes. Highland Financial Group, LLC has since agreed to comply with all provisions of the laws and rules as such laws and rules exist now and as they may be amended, and has resolved the matter through the State of Florida, Office of Financial Regulation. Please see the Krasney Financial LLC Form ADV Item 11 for details.

Item 4 Other Business Activities

- A. **Principal of a Registered Investment Adviser and General Partner of a Pooled Investment Vehicle.** Mr. Riggio, in his individual capacity, is the general partner of the Highland Multi-Strategy Fund and the Principal of Highland Financial Group, LLC, a Florida-based Registered Investment Adviser. Currently, Highland Multi-Strategy Fund is not open for investment by clients of Krasney Financial and no clients will be solicited to invest in said fund.
- B. The supervised person is not actively engaged in any non-investment-related business or occupation for compensation.

Item 5 Additional Compensation

Mr. Riggio may receive additional compensation in the form of solicitation fees based on client referrals, as disclosed in the Registrant's Solicitor Disclosure Statement. Mr. Riggio may also receive discretionary bonuses that are based in number or amount of sales and new accounts.

Item 6 Supervision

The Registrant has and provides investment advisory and supervisory services in accordance with the Registrant's policies and procedures manual. The primary purpose of the *Registrant's* Rule 206(4)-7 policies and procedures is to comply with the requirements of supervision requirements of Section 203(e)(6) of the Investment Advisor's Act. The Registrant's Chief Compliance Officer, Jonathan S. Krasney, is primarily responsible for implementation of the *Registrant's* policies and procedures. Should an employee or investment adviser representative of the *Registrant* have any questions regarding the applicability/relevance of the *Act*, the *Rules*, any section thereof, or any section of the policies and procedures, he/she should address those questions with the Chief Compliance Officer. Mr. Krasney can be reached at (973) 543-6660.

Item 1 Cover Page

A.

Susan Lubin

Krasney Financial, LLC

Brochure Supplement
Dated 6/27/2012

Contact: Jonathan S. Krasney, Chief Compliance Officer
5 Cold Hill Road, Suite 15
Mendham, New Jersey 07945

B.

This brochure supplement provides information about Jonathan S. Krasney that supplements the Krasney Financial, LLC brochure. You should have received a copy of that brochure. Please contact Jonathan S. Krasney, Chief Compliance Officer if you did *not* receive Krasney Financial's brochure or if you have any questions about the contents of this supplement.

Additional information about Susan Lubin is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 Education Background and Business Experience

Susan Lubin was born in 1945. Ms. Lubin graduated from the University of Delaware with a Bachelor's Degree in Physical Education in 1967 and received a Master's Degree in Physical Education from the Teacher's College at Columbia University in 1968. Prior to joining Krasney Financial as an Investment Advisory Representative in March 2012, Ms. Lubin was a Franchisee in the capacity of financial advisor for Ameriprise Financial Services, Inc. from 1991-2009 and an insurance salesperson with Integrity Life Solutions, LLC from 2009-present.

Ms. Lubin became a Certified Financial Planner (CFP®) in June 1996. The CFP® designation identifies individuals who have completed the mandatory examination, education, experience, and ethics requirements mandated by the CFP® Board. Candidates must have at least three years of qualifying work experience that relates to financial planning. CFP® candidates must pass an

examination that covers over 100 financial planning topics, which broadly include: general principles of financial planning, insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning. Finally, candidates have ongoing ethics requirements and oversight by the CFP® Board.

Item 3 Disciplinary Information

On October 11, 2005 a client alleged that Ms. Lubin did not disclose the fees and penalties associated with an annuity contract purchased in October 2003 while working for Ameriprise Financial Services, Inc. On February 20, 2006 the matter was settled in favor of the client in the amount of \$1,067.88 because the firm found that, although Ms. Lubin did disclose the fees and penalties associated with the annuity contract, the annuity product may not have been appropriate to meet the client's liquidity needs.

On December 13, 2005 a client alleged the purchase of a life insurance product from Ms. Lubin while working for Ameriprise Financial Services, Inc. should have been a term policy, not a variable universal life insurance policy. As a result, the surrender of the existing policy to move to a term policy would cost \$11,515.00 in surrender charges. On August 30, 2006 the matter was settled in favor of the client because the firm found lack of appropriate disclosure and documentation regarding the suitability for the sale of the variable universal life policy. The firm cancelled the policy and returned all premiums paid to the client in the amount of \$24,548.17.

Item 4 Other Business Activities

- A. The supervised person is not actively engaged in any other investment-related business or occupation.
- B. **Licensed Insurance Agents.** Ms. Lubin, in her individual capacity, is a licensed insurance agent, and may recommend the purchase of certain insurance-related products on a commission basis. Clients can engage Ms. Lubin to effect insurance transactions on a commission basis. Ms. Lubin may recommend certain insurance-related products through affiliated or unaffiliated entities. **Conflict of Interest:** The recommendation by Ms. Lubin that a client purchase an insurance commission product presents a ***material conflict of interest***, as the receipt of commissions may provide an incentive to recommend investment products based on commissions received, rather than on a particular client's need. The Registrant's affiliation with Risk Management Associates, LLC, as noted above, also presents a ***material conflict of interest***, as the affiliation through common ownership may provide an incentive to recommend products through Risk Management Associates, LLC specifically. No client is under any obligation to purchase any insurance commission products from Ms. Lubin. Clients are reminded that they may purchase insurance products recommended by the Registrant through other, non-affiliated insurance agents. **The Registrant's Chief Compliance Officer, Jonathan S. Krasney, remains available to address**

any questions that a client or prospective may have regarding the above conflict of interest.

Item 5 Additional Compensation

Ms. Lubin may receive additional compensation in the form of solicitation fees based on client referrals, as disclosed in the Registrant's Solicitor Disclosure Statement. Ms. Lubin may also receive discretionary bonuses that are based in number or amount of sales and new accounts.

Item 6 Supervision

The Registrant has and provides investment advisory and supervisory services in accordance with the Registrant's policies and procedures manual. The primary purpose of the *Registrant's* Rule 206(4)-7 policies and procedures is to comply with the requirements of supervision requirements of Section 203(e)(6) of the Investment Advisor's Act. The Registrant's Chief Compliance Officer, Jonathan S. Krasney, is primarily responsible for implementation of the *Registrant's* policies and procedures. Should an employee or investment adviser representative of the *Registrant* have any questions regarding the applicability/relevance of the *Act*, the *Rules*, any section thereof, or any section of the policies and procedures, he/she should address those questions with the Chief Compliance Officer. Mr. Krasney can be reached at (973) 543-6660.

Item 1 Cover Page

A.

Cherie G. DiNoia

Krasney Financial, LLC

Brochure Supplement

Dated 6/27/2012

Contact: Jonathan S. Krasney, Chief Compliance Officer
5 Cold Hill Road, Suite 15
Mendham, New Jersey 07945

B.

This brochure supplement provides information about Jonathan S. Krasney that supplements the Krasney Financial, LLC brochure. You should have received a copy of that brochure. Please contact Jonathan S. Krasney, Chief Compliance Officer if you did *not* receive Krasney Financial's brochure or if you have any questions about the contents of this supplement.

Additional information about Cherie DiNoia is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 Education Background and Business Experience

Cherie DiNoia was born in 1973. Ms. DiNoia graduated from St. Louis University with a Bachelor of Science in International Business and Finance in 1995. Ms. DiNoia has been the President and Chief Compliance Officer of Shelby Financial Group, Inc. since 2000, a position she still holds today. Ms. DiNoia became an Investment Advisory Representative of Krasney Financial, LLC in April 2012.

Ms. DiNoia became a Certified Financial Planner (CFP®) in August 2005. The CFP® designation identifies individuals who have completed the mandatory examination, education, experience, and ethics requirements mandated by the CFP® Board. Candidates must have at least three years of qualifying work experience that relates to financial planning. CFP® candidates

must pass an examination that covers over 100 financial planning topics, which broadly include: general principles of financial planning, insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning. Finally, candidates have ongoing ethics requirements and oversight by the CFP® Board.

Item 3 Disciplinary Information

None.

Item 4 Other Business Activities

- A. **Principal of a Registered Investment Adviser.** Ms. DiNoia, in her individual capacity, is the President & Chief Compliance Officer of Shelby Financial Group, Inc., a Florida-based Registered Investment Adviser. Currently, there are no shared clients between Krasney Financial, LLC and Shelby Financial Group, Inc.
- B. **Licensed Insurance Agents.** Ms. DiNoia, in her individual capacity, is a licensed insurance agent, and may recommend the purchase of certain insurance-related products on a commission basis. Clients can engage Ms. DiNoia to effect insurance transactions on a commission basis. Ms. DiNoia may recommend certain insurance-related products through affiliated or unaffiliated entities. **Conflict of Interest:** The recommendation by Ms. DiNoia that a client purchase an insurance commission product presents a *material conflict of interest*, as the receipt of commissions may provide an incentive to recommend investment products based on commissions received, rather than on a particular client's need. The Registrant's affiliation with Risk Management Associates, LLC, as noted above, also presents a *material conflict of interest*, as the affiliation through common ownership may provide an incentive to recommend products through Risk Management Associates, LLC specifically. No client is under any obligation to purchase any insurance commission products from Ms. DiNoia. Clients are reminded that they may purchase insurance products recommended by the Registrant through other, non-affiliated insurance agents. **The Registrant's Chief Compliance Officer, Jonathan S. Krasney, remains available to address any questions that a client or prospective may have regarding the above conflict of interest.**

Item 5 Additional Compensation

Ms. DiNoia may receive additional compensation in the form of solicitation fees based on client referrals, as disclosed in the Registrant's Solicitor Disclosure Statement. Ms. DiNoia may also receive discretionary bonuses that are based in number or amount of sales and new accounts.

Item 6 Supervision

The Registrant has and provides investment advisory and supervisory services in accordance with the Registrant's policies and procedures manual. The primary purpose of the *Registrant's* Rule 206(4)-7 policies and procedures is to comply with the requirements of supervision requirements of Section 203(e)(6) of the Investment Advisor's Act. The Registrant's Chief Compliance Officer, Jonathan S. Krasney, is primarily responsible for implementation of the *Registrant's* policies and procedures. Should an employee or investment adviser representative of the *Registrant* have any questions regarding the applicability/relevance of the *Act*, the *Rules*, any section thereof, or any section of the policies and procedures, he/she should address those questions with the Chief Compliance Officer. Mr. Krasney can be reached at (973) 543-6660.