

**Part 2A of Form ADV: *Firm Brochure***



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March 27, 2012

This brochure provides information about the qualifications and business practices of PageOne Financial, Inc. If you have any questions about the contents of this brochure, please contact us at 800-733-6228 or [info@pageonefinancial.com](mailto:info@pageonefinancial.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 PageOne Financial, Inc. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 105340.

## **Item 2     Material Changes**

The SEC adopted "Amendments to Form ADV" in July, 2010. This Firm Brochure, dated March 28, 2012, is our disclosure document prepared according to the SEC's new requirements and rules. As you will see, this document is a narrative that is substantially different in form and content, and includes some new information that we were not previously required to disclose.

After our initial filing of this Brochure, this Item will be used to provide our clients with a summary of new and/or updated information. We will inform you of the revision(s) based on the nature of the updated information.

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

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## **Item 4     Advisory Business**

PageOne Financial, Inc. is a fee-only SEC-registered investment adviser with its principal place of business located in New York (hereinafter "POF"). POF began conducting business in 1986. Registration does not imply a certain level of skill or training.

Listed below are the firm's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of this company).

- Edgar R. Page, Chairman.

POF offers the following advisory services to our clients:

### **TACTICAL ASSET ALLOCATION MODELS**

Our firm provides portfolio management services to clients using model asset allocation portfolios. Each model portfolio is designed to meet a particular investment goal.

Through personal discussions and/or targeted questionnaires with the client in which the client's goals and objectives are established, we will determine if and which model portfolio is suitable to the client's circumstances. Once the suitability of the portfolio has been determined, the portfolio will be managed based on the portfolio's goal, rather than on each client's individual needs. Clients, nevertheless, will have the opportunity to place reasonable restrictions on the types of investments to be held in the client's account and account supervision will be guided by the stated objectives of the client, as well as tax considerations. Clients will retain individual ownership of all securities.

In order to ensure that our initial determination of an appropriate portfolio continues to be suitable and that the client's account continues to be managed in a manner suitable to the client's financial circumstances, we will maintain client suitability information in the client's file. On an annual basis, we will notify clients in writing to request updated information regarding the client's financial situation and investment objectives and whether the client wishes to impose or modify existing investment restrictions.

We manage these advisory accounts on a discretionary basis.

Once the model portfolio has been established, we review the portfolio on a continuous basis, and if necessary, rebalance the portfolio as we feel is appropriate to meet the needs of our clients.

### **SUB-ADVISORY ENGAGEMENTS**

POF may act as a sub-adviser to other unaffiliated registered investment advisers (the "Principal Adviser") based on its proprietary investment models who wish to engage us to manage the holdings in their clients' portfolios. POF provides these clients with securities selections, weights, and allocations recommendations for use in their own managed portfolios. Independent investment advisers are not required to adopt our recommendations and POF is not responsible for implementing any of the recommendations it so provides. Both our firm and the Principal Adviser may be granted dual trading authority. We may have discretionary authority over a portion of the assets to buy and sell securities based on the client's individual needs. Typically, the Principal Adviser will have discretionary trading authority over the client's account and will be responsible for supervising the management of

the account. Accordingly, the Principal Adviser will monitor the account activity conducted on behalf of the account by our firm. Fees will be deducted from the account(s) held at an unaffiliated, qualified custodian. Our firm and the Principal Adviser will share in the fee collected. All agreed upon terms shall be provided in the sub-advisory agreement between our firm and the Principal Advisor.

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding the following securities:

- Exchange-listed securities, including Exchange Traded Funds (ETFs)
- Variable life insurance (previously selected for clients by other financial professionals)
- Variable annuities (previously selected for clients by other financial professionals)
- Mutual fund shares
- Options contracts on securities
- Non-publicly traded securities

Because some types of investments involve certain additional degrees of risk, they will only be implemented when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

#### Additional Compensation Received by Us

Please refer to Item 10 of this Brochure for additional information on compensation received by our employees in their separate capacities as registered representatives or insurance agents.

## **Item 5 Fees and Compensation**

### **TACTICAL ASSET ALLOCATION FEES**

The annualized fee for Tactical Asset Allocation Service is charged as a percentage of assets under management. Our fees are billed either annually or quarterly, in advance, at the beginning of the period for which services are provided. The fee calculated will be based upon the value (market value or fair market value in the absence of market value), of the client's account at the end of the previous period. Invoices for fees will be presented to the custodian of the client's funds, in accordance with the client authorization in the Client Services Agreement and/or forms provided by the custodian, and consistent with the following schedules:

For our Heritage Series Model Portfolios, we bill in advance on an annual basis. Initial annual billing will take place shortly after the client enrolls for our services. The first bill will be for services from the initial date, to the end of the 11<sup>th</sup> month following. Thereafter, the billing will be calculated based on the value of the beginning of the month in which the client started to use our services. For example, if an investment is made on February 5, the initial bill will be for services from February 5 until January 31 of the following year. From that point on, the billing will be in early February based on the January 31 values. (For those clients already

enrolled at the time of this filing, our annual billing will be modified at their renewal date to fit within this revised billing method beginning as soon as practical after this filing.)

Heritage Series Model Portfolios (Minimum account \$10,000\*)

Assets less than \$499,999.....	2.00%
Assets between \$500,000-\$999,999.....	1.75%
Assets between \$1 Million-\$1,999,999.....	1.00%
Assets of \$2 Million and Over.....	0.75%

For the Advisor Series Model Portfolios, we bill quarterly in advance at the beginning of each calendar quarter. Accounts opened within a quarterly period will be billed for the balance of the existing quarter, then at the beginning of the next quarter.

Advisor Series Model Portfolios (Minimum account \$10,000\*)

First \$250,000.....	2.00%
Next \$250,000.....	1.80%
Next \$500,000.....	1.55%
Next \$1 Million.....	1.00%
Excess of \$2 Million.....	0.75%

\* See section below on account minimums.

*Note: Assets invested will be aggregated to give the investor the lowest eligible advisory fee.*

### **SUB-ADVISORY ENGAGEMENTS**

POF will receive a sub-advisory fee, payable quarterly in arrears, ranging from 0.25% to 0.75% of the value of each client's account utilizing the signals provided. The exact fee will vary based on the asset size and type of client and account.

The minimum account sizes cited above are established for new and existing accounts, unless the Account size drops below the minimum level solely due to market action. Exceptions may be made at the discretion of Advisor. Any amendment to the percentages or amounts of the fee schedule shall be effective after written notice thereof is given to the Client. It is understood that such fees may differ from fees charged to other clients depending upon the extent of services provided and the cost of such services.

From time to time, we may offer an Alternative Investment Program, which may include investments in real estate pooled investment vehicles and other private, illiquid securities in which a larger minimum investment may be required. This will often vary with the private investment fund selected. Fees payable by the client for this service will vary based on the program, and will generally range from .75% to 2.5% annually.

Advisor may also discount client fees based on potential future business given to Advisor. It is also understood that Advisor shall not be compensated on the basis of a share of either the capital gains, or capital appreciation, of any portion of the Client's portfolio and that the fees described above are not under applicable law construed to be such compensation. Client acknowledges and expressly agrees that initial billing, or billing for additional contributions, shall be prorated and subsequent billing of fees shall be remitted by Advisor to the Custodian,

and the Custodian shall liquidate assets from Client's Account(s) in payment of such fees and forward to the Advisor. This Agreement shall serve as notice to Client of initial and additional contribution billing. The deduction of fees from Client's Account(s) for a prior period will be reflected in the subsequent Account(s) statements sent to the Client. Upon termination of the Account(s), a portion of the variable fee is refunded to the Client.

Other programs: From time to time, at the discretion of the Advisor, a special program may be developed to meet the unique needs of one or more client(s). For example, if a client has an investment that does not meet our account minimums, we may recommend a modified program to serve such client. The program may consist of a limited portfolio of investments, similar to our Models but with fewer choices. In some cases, the clients' funds may be invested in a single security. Our fees on such programs will range from .75% to 2.5%.

In certain cases, the custodian chosen by the clients may have limitations in place which disrupt our standard billing practices. In these cases, we may modify our billing to achieve an efficient and fair method of payment. For example, if a custodian requires that a withdrawal be of a certain minimum amount, and a quarterly fee would be less than that amount, we may bill that client annually instead. In such cases we will obtain at the least the client's verbal consent.

***Limited Negotiability of Advisory Fees:*** Although POF has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition, reports, custodial/brokerage platform selected among other factors. The specific annual fee schedule is identified in the contract between the adviser and each client.

We may group certain related client accounts for the purposes of achieving the minimum account size requirements and determining the annualized fee.

Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm.

## **GENERAL INFORMATION**

Consistent with industry practice, we calculate our investment performance on a time-weighted basis for full months invested. For example, if an investor begins a program with us on July 15, their investment results will be measured beginning the first full calendar month, or August 1.

After calculating our results, we will compare those results with an appropriate benchmark, which usually is a broad measure of similar investments over the same period of time. In utilizing such benchmarks, we recognize that the benchmark numbers are commercially produced by one or more independent ratings services, and we rely on their accuracy to provide a reasonable point of comparison by which our clients may judge the value of our services.

At the discretion of the Advisor, we may rebalance a portfolio or we may reallocate one or

more positions, at any time throughout the term of our agreement.

***Termination of the Advisory Relationship:*** A client agreement may be canceled at any time, by either party, for any reason upon receipt of written notice. As disclosed above, certain fees are paid in advance of services provided. Upon termination of any account, any prepaid, unearned fees will be promptly refunded. In calculating a client's reimbursement of fees, we will pro rate the reimbursement according to the number of days remaining in the billing period.

***Mutual Fund and ETF Fees:*** All fees paid to POF for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund or an ETF directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual funds or ETFs are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

***Wrap Fee Programs:*** POF does not offer Wrap Fee Programs.

***Additional Fees and Expenses:*** In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

***Grandfathering of Minimum Account Requirements:*** Pre-existing advisory clients are subject to POF's minimum account requirements and advisory fees in effect at the time the client entered into the advisory relationship. Therefore, our firm's minimum account requirements will differ among clients.

***ERISA Accounts:*** POF is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, POF may only charge fees for investment advice about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees, or conversely, investment advice about products for which our firm and/or our related persons receive commissions or 12b-1 fees, however, only when such fees are used to offset POF's advisory fees.

***Advisory Fees in General:*** Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

***Prepayment of Fees:*** We do require some clients to pay fees that are (a) greater than \$1200 and (b) billed six months or more in advance. Accordingly, a copy of our firm's balance sheet is attached.



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

POF does not charge performance-based fees.

## **Item 7 Types of Clients**

POF may provide advisory services to the following types of clients:

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

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

### **METHODS OF ANALYSIS**

POF utilizes a top-down approach to our analysis of the economic, political and fundamental functioning of the financial markets. Primarily, we utilize mutual funds and ETFs selected for their strength and correlation to the sector or market segment they represent. As such, we may utilize:

**Charting.** In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is moving up or down and to predict how long the trend may last and when that trend might reverse.

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

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

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

Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

***Cyclical Analysis.*** In this type of technical analysis, we measure the movements of a particular stock against the overall market in an attempt to predict the price movement of the security.

***Risks for all forms of analysis.*** Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

## **INVESTMENT STRATEGIES**

We use the following strategy(ies) in managing client accounts, provided that such strategy(ies) are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

***Long-term purchases.*** We purchase securities with the idea of holding them in the client's account for a year or longer. Typically we employ this strategy when:

- we believe the securities to be currently undervalued, and/or
- we want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

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

A short-term purchase strategy poses risks should the anticipated price swing not materialize; we are then left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss.

In addition, this strategy involves more frequent trading than does a longer-term strategy, and will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

***Leveraged and Inverse Funds/ETFs.*** In all of its model portfolios, PageOne Financial has the ability to invest in Leveraged or Inverse Funds or ETFs.

### ***Variable Annuities/Variable Universal Life Accounts***

POF may manage investment sub-accounts within a Variable Annuity or Variable Universal Life account which had been created prior to the commencement of account holder's advisory relationship with POF. Often, the financial professional that sold the product maintains a relationship with the policy holder/client and POF is chosen to manage the instruments within the previously purchased product. POF is not responsible for the selection of the product, the suitability of the product for the client in terms of the client's goals, objectives, and time horizon, nor any benefits and/or riders that are added onto the product selected by the client.

The investment management of POF's Variable Annuity and Variable Universal Life accounts will be customized based on the investment options available within the account. The often limited selection of investment options may at times lead to a reduction in the number of PageOne Financial, Inc. programs available and/or asset allocation decisions that may vary from other accounts within the same program.

**Trading.** There are infrequent occasions that we purchase securities with the idea of selling them very quickly (typically within 30 days or less). We do this in an attempt to take advantage of our predictions of brief price swings.

Utilizing a trading strategy creates the potential for sudden losses if the anticipated price swing does not materialize. Moreover, under those circumstances, we are left with few options:

- having a long-term investment in a security that was designed to be a short-term purchase, or
- the potential of having to taking a loss.

In addition, because this strategy involves more frequent trading than does a longer-term strategy, there will be a resultant increase in brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

## **Item 9 Disciplinary Information**

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Our firm and our management personnel have no reportable disciplinary events to disclose.

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

Associated persons of PageOne Financial may also be insurance agents or brokers for one or more insurance companies. As such, these individuals, in their separate capacities as registered representatives and/or insurance agents or brokers, will be able to effect securities transactions and/or purchase insurance and insurance-related investment products for clients, for which they will receive separate and customary compensation. Clients, however, are not under any obligation to engage these individuals when considering implementation of advisory recommendations. While these individuals, who may spend as much as 50% of their time with all of these related activities, endeavor at all times to put the interest of the clients first as part of PageOne Financial's fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest, and may affect the judgment of these individuals when making recommendations. In order to mitigate these potential conflicts, we take the following steps:

1. We disclose to clients the existence of all material conflicts of interest, including the potential for our firm and our employees to earn compensation from advisory clients in addition to our firm's advisory fees;
2. We disclose to clients that they are not obligated to purchase recommended investment

products from our employees or affiliated companies;

3. We collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
4. Our firm's management conducts regular reviews of each client investment model to verify that the model continues to be suitable for the selected clients;
5. We require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
6. We periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm; and
7. We educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

We are aware of the special considerations required under Rule 206(4)-3 of the Investment Advisers Act of 1940. As such, all appropriate disclosure shall be made and all applicable Federal and State laws will be observed.

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

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

POF and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

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

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

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to [info@pageonefinancial.com](mailto:info@pageonefinancial.com), or by calling us at 800-733-6228.

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

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

We may aggregate our employee trades with client transactions where possible and when compliant with our duty to seek best execution for our clients. In these instances, participating clients will receive an average share price and transaction costs will be shared equally and on a pro-rata basis. In the instances where there is a partial fill of a particular batched order, we will allocate all purchases pro-rata, with each account paying the average price. Our employee accounts will be included in the pro-rata allocation.

As these situations represent actual or potential conflicts of interest to our clients, we have established the following policies and procedures for implementing our firm's Code of Ethics, to ensure our firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

8. No principal or employee of our firm may put his or her own interest above the interest of an advisory client.
1. No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.
2. It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account. This prevents such employees from benefiting from transactions placed on behalf of advisory accounts.
3. Our firm requires prior approval for any IPO or private placement investments by related persons of the firm.
4. We maintain a list of all reportable securities holdings for our firm and anyone associated with this advisory practice that has access to advisory recommendations ("access person"). These holdings are reviewed on a regular basis by our firm's Chief Compliance Officer or his/her designee.
5. We have established procedures for the maintenance of all required books and records.
6. All clients are fully informed that related persons may receive separate commission compensation when effecting transactions during the implementation process.
7. Clients can decline to implement any advice rendered, except in situations where our firm is granted discretionary authority.
8. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
9. We require delivery and acknowledgement of the Code of Ethics by each supervised person of our firm.

10. We have established policies requiring the reporting of Code of Ethics violations to our senior management.

As disclosed in the preceding section of this Brochure (Item 10), related persons of our firm may be separately registered as securities representatives of a broker-dealer, investment adviser representatives of another registered investment adviser, and/or licensed as an insurance agent/broker of various insurance companies. Please refer to Item 10 for a detailed explanation of these relationships and important conflict of interest disclosures.

## **Item 12 Brokerage Practices**

We do not request or accept the discretionary authority to determine the broker dealer to be used for client accounts. Clients must direct us as to the broker dealer to be used for all client securities transactions. In directing the use of a particular broker or dealer, it should be understood that we will not have authority to negotiate commissions among various brokers, and best execution may not be achieved, resulting in higher transaction costs for clients. *Not all advisers require their clients to direct brokerage.*

POF participates in the institutional customer program offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member SIPC ("TD Ameritrade"), an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers services to independent investment advisers which include custody of securities, trade execution, clearance and settlement of transactions. PageOne Financial, Inc. receives some benefits from TD Ameritrade through our participation in the program.

We may recommend TD Ameritrade to our clients for custody and brokerage services. There is no direct link between our firm's participation in the program and the investment advice we give to our clients, although we receive economic benefits through our participation in the program that are typically not available to TD Ameritrade retail investors.

These benefits include the following products and services (provided without cost or at a discount): duplicate client statements and confirmations; 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 and Exchange Traded Funds (ETFs) 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 POF by third party vendors.

Some of the products and services made available by TD Ameritrade through the program may benefit POF but may not benefit our client accounts. These products or services may assist us in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help us manage and further develop our business enterprise. The benefits received by POF through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. Clients should be aware, however, that the receipt of economic benefits by POF or our related persons in and of itself creates a potential conflict of interest and may indirectly influence our choice of TD Ameritrade for custody and brokerage services.

Participation in the TD Institutional program results in a potential conflict of interest for our firm, as the receipt of the above benefits creates an incentive for us to recommend TD Ameritrade to clients.

Nonetheless, we have reviewed the services of TD Ameritrade and recommend the services based on a number of factors. These factors include the professional services offered, commission rates, and the custodial platform provided to clients. While, based on our business model, we will not seek to exercise discretion to negotiate trades among various brokers on behalf of clients, we may, however, periodically attempt to negotiate lower commission rates for our clients with TD Ameritrade.

POF also utilizes the brokerage and custodial services of the FOLIO*fn* Institutional platform offered by FOLIO*fn* Investments, Inc., member FINRA/SIPC (hereinafter “FOLIO*fn*”). Instead of charging commissions for executing trades, FOLIO*fn* charges our clients a flat, asset-based fee for its brokerage and custody services. Our firm off sets its management fees by the amount of the asset-based fee charged to the client by FOLIO*fn*. FOLIO*fn* executes trades during pre-determined twice daily trading windows. Therefore, best execution may not always be achieved due to the timing of the trades. Even though POF has reason to believe that FOLIO*fn* has adopted policies and procedures reasonably designed to seek best execution, we have not independently verified FOLIO*fn*’s ability to achieve best execution.

#### Soft-Dollars

POF does not have any soft-dollar arrangements and does not receive any soft-dollar benefits.

#### Aggregation and Allocation of Trades

POF will block trades where possible and when advantageous to clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts, so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block.

Block trading may allow us to execute equity trades in a timelier, more equitable manner, at an average share price. POF will typically aggregate trades among clients whose accounts can be traded at a given broker, and generally will rotate or vary the order of brokers through which it places trades for clients on any particular day. POF's block trading policy and procedures are as follows:

- 1) Transactions for any client account may not be aggregated for execution if the practice is prohibited by or inconsistent with the client's advisory agreement with POF, or our firm's order allocation policy.
- 2) The operations staff in concert with the portfolio manager must determine that the purchase or sale of the particular security involved is appropriate for the client and consistent with the client's investment objectives and with any investment guidelines or restrictions applicable to the client's account.
- 3) The portfolio manager must reasonably believe that the order aggregation will benefit, and will enable POF to seek best execution for each client participating in the aggregated order. This requires a good faith judgment at the time the order is placed for the execution. It does not mean that the determination made in advance of the transaction must always prove to

have been correct in the light of a "20-20 hindsight" perspective. Best execution includes the duty to seek the best quality of execution, as well as the best net price.

4) Prior to entry of an aggregated order, a written order ticket must be completed which identifies each client account participating in the order and the proposed allocation of the order, upon completion, to those clients.

5) If the order cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated pro rata among the participating client accounts in accordance with the initial order ticket or other written statement of allocation. However, adjustments to this pro rata allocation may be made to participating client accounts in accordance with the initial order ticket or other written statement of allocation. Furthermore, adjustments to this pro rata allocation may be made to avoid having odd amounts of shares held in any client account, or to avoid excessive ticket charges in smaller accounts.

6) Generally, each client that participates in the aggregated order must do so at the average price for all separate transactions made to fill the order, and must share in the commissions on a pro rata basis in proportion to the client's participation. Under the client's agreement with the custodian/broker, transaction costs may be based on the number of shares traded for each client.

7) If the order will be allocated in a manner other than that stated in the initial statement of allocation, a written explanation of the change must be provided to and approved by the Chief Compliance Officer no later than the morning following the execution of the aggregate trade.

8) POF's client account records separately reflect, for each account in which the aggregated transaction occurred, the securities which are held by, and bought and sold for, that account.

9) Funds and securities for aggregated orders are clearly identified on POF's records and to the broker-dealers or other intermediaries handling the transactions, by the appropriate account numbers for each participating client.

10) No client or account will be favored over another.

## **Item 13    Review of Accounts**

### **PORTFOLIO MANAGEMENT SERVICES**

**REVIEWS:** The underlying securities within our investment models are continually monitored. We will review accounts quarterly in the context of the investment objectives and guidelines of the model portfolio, as well as any investment restrictions provided by the client.

More frequent reviews may be triggered by material changes in variables such as market, political or economic environment. Model portfolios and specific client restrictions are reviewed by Edgar Page, Chairman and Chief Executive Officer of PageOne Financial.

**REPORTS:** PageOne Financial clients receive trade confirmations of transactions and periodic account statements (no less frequently than quarterly) summarizing account



performance, balances and holdings directly from their custodian/broker-dealer. Clients in the Alternative Investment Program are also requested to refer to the applicable documents for complete information regarding the reviews and reports provided within the applicable private funds.

## **Item 14 Client Referrals and Other Compensation**

### **CLIENT REFERRALS**

Our firm may pay referral fees to independent persons or firms ("Solicitors") for introducing clients to us. Whenever we pay a referral fee, we require the Solicitor to provide the prospective client with a copy of this document (our *Firm Brochure*) and a separate disclosure statement that includes the following information:

- the Solicitor's name and relationship with our firm;
- the fact that the Solicitor is being paid a referral fee;
- the amount of the fee; and
- whether the fee paid to us by the client will be increased above our normal fees in order to compensate the Solicitor.

As a matter of firm practice, the advisory fees paid to us by clients referred by solicitors are not increased as a result of any referral.

### **OTHER COMPENSATION**

Our firm and/or our officers and representatives are eligible to receive incentive awards (including prizes such as trips or bonuses) for recommending certain types of insurance policies or other investment products that we recommend.

While we endeavor at all times to put the interest of our clients first as part of our fiduciary duty, the possibility of receiving incentive awards creates a conflict of interest, and may affect the judgment of these individuals when making recommendations.

## **Item 15 Custody**

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm presents an invoice to each custodian for payment of our fee.

As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

In calculating fees, we employ a third party firm to aggregate client information and calculate the fees due based upon our fee schedule. Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact their representative directly if they believe that there may be an error in their statement.

## **Item 16 Investment Discretion**

Clients may hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- determine the security to buy or sell; and/or
- determine the amount of the security to buy or sell

Clients give us discretionary authority when they sign a discretionary agreement with our firm, and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

POF requires that it be provided with written authority to determine which securities and the amounts of securities that are bought or sold in a client's account.

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

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, 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. Clients are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

We do not offer any consulting assistance regarding proxy issues to clients.

### **Item 18 Financial Information**

We do require some clients to pay fees that are (a) greater than \$1200 and (b) billed six months or more in advance. Accordingly, a copy of our firm's balance sheet is attached.

As an advisory firm that, as disclosed above, is required to provide a copy of our firm's balance sheet, we are also required to disclose any financial condition that is reasonably likely to impair our ability to meet our contractual obligations. POF has no additional financial circumstances to report.

POF has not been the subject of a bankruptcy petition at any time during the past ten years.



## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders  
PageOne Financial, Inc.  
Albany, New York

We have audited the accompanying balance sheets of PageOne Financial, Inc. as of December 31, 2011 and 2010, and the related statements of operations and retained earnings and cash flows for each of the years then ended. PageOne Financial, Inc.'s management is responsible for these financial statements. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of PageOne Financial, Inc. as of December 31, 2011 and 2010, and the results of its operations and its cash flows for each of the years then ended in conformity with accounting principles generally accepted in the United States of America.

*EFP Rotenberg, LLP*

EFP Rotenberg, LLP  
Rochester, New York  
March 30, 2012

**PAGEONE FINANCIAL, INC.**  
**Balance Sheets**  
**December 31, 2011 and 2010**

	<u>2011</u>	<u>2010</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 23,176	\$ 32,899
Accounts receivable	20,666	25,681
Deferred income taxes	71,450	59,965
Prepaid expenses	<u>204,318</u>	<u>236,066</u>
Total current assets	<u>319,610</u>	<u>354,611</u>
<b>Property and Equipment</b>		
Property and equipment	9,370	5,962
Less, accumulated depreciation	<u>(2,141)</u>	<u>(555)</u>
Total property and equipment - net	<u>7,229</u>	<u>5,407</u>
<b>Other Assets</b>		
Due from shareholder and officer	<u>1,096,703</u>	<u>1,031,795</u>
<b>Total Assets</b>	<u>\$ 1,423,542</u>	<u>\$ 1,391,813</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 37,679	\$ 25,394
Accrued commissions	3,653	-
Deferred revenue	439,116	385,805
Other accrued liabilities	-	1,744
Accrued income taxes	-	65,233
Accrued payroll	<u>11,297</u>	<u>11,331</u>
Total current liabilities	<u>491,745</u>	<u>489,507</u>
<b>Stockholders' Equity</b>		
Common stock, no par value, 200 shares authorized, and 191 shares issued and outstanding	500	500
Retained earnings	<u>1,000,463</u>	<u>970,972</u>
Total	1,000,963	971,472
Less, treasury stock shares, at cost	<u>(69,166)</u>	<u>(69,166)</u>
Total stockholders' equity	<u>931,797</u>	<u>902,306</u>
<b>Total Liabilities and Stockholders' Equity</b>	<u>\$ 1,423,542</u>	<u>\$ 1,391,813</u>

The accompanying notes are an integral part of these financial statements.