

FORM ADV – PART 2A (“BROCHURE”)

Item 1 – Cover Page

Michael J. Bergquist Financial & Estate Planning

1114 State Street, Suite 300 Santa Barbara, CA 93101

(805) 568-5313

March 25, 2011

(updated 3/29/12)

This Brochure provides information about the qualifications and business practices of Michael J. Bergquist Financial & Estate Planning (“MJBFEP”/“Adviser”/“Firm”). If you have any questions about the contents of this Brochure, please contact Michael Bergquist at (805) 568-5313 and/or Michael@mjbplanning.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.

Michael John Bergquist, dba Michael J. Bergquist Financial & Estate Planning, is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information from which you will determine to hire or retain that Adviser.

Additional information about Michael J. Bergquist Financial & Estate Planning is also available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

On July 28, 2010, the United States Securities and Exchange Commission (“SEC”) published “Amendments to Form ADV”, which amends the disclosure document that we provide to Clients as required by SEC Rules. This Brochure dated March 25, 2011 is according to the SEC’s requirements and rules. As such, this disclosure document (the “Brochure”) is materially different in structure and requires certain information that our previously-disseminated Form ADV-Part II (2010 and prior) did not require.

In the future, this Item will discuss only specific material changes that are made to the Brochure and provide Clients with a summary of such changes. We will also reference the date of the last annual update of our Brochure.

Since March 25, 2011, MJBFEF has added a non-hourly advisory fee structure. This addition is further detailed in Item 5.

In the past we have offered or delivered information about our qualifications and business practices to Clients on at least an annual basis. Pursuant to the SEC Rules mentioned above, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of the calendar year. We may further provide other ongoing disclosure information about material changes or new information as necessary, at any time, without charge.

Currently, our Brochure may be requested by contacting Michael J. Bergquist, Principal, by phone: (805)568-5313 or email: Michael@mjbplanning.com.

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Item 4 – Advisory Business

Description of Firm

Michael J. Bergquist Financial & Estate Planning (“MJBFEF”/“Adviser”/“Firm”) provides comprehensive financial planning advisory services and has been in business since June 1986.

Michael J. Bergquist is a sole proprietor and the principal owner of MJBFEF. MJBFEF provides investment supervisory services, furnishes investment advice through consultations not included in investment supervisory services, and, on more than an occasional basis, furnishes advice to Clients on matters not involving securities including tailored advice based on individual Client financial planning needs.

Our financial planning advisory services include the evaluation of the Client’s personal and financial goals, investment objectives, risk tolerance, assets and liabilities, income and expenses, investments, insurance coverages, retirement planning accounts and objectives, estate planning considerations, business succession planning, and the tax issues related thereto. Reviews of these items are performed periodically. A written report summarizing Adviser’s conclusions is prepared only if requested by the Client. We provide assistance with the implementation and coordination of these matters with the Client’s accountant(s), attorney(s), insurance agent(s), trust officer(s), broker(s), and other professional adviser(s), where applicable. More specifically, in regards to investment advisory services, MJBFEF performs quantitative, qualitative, and cyclical analysis/research to formulate investment advice furnished to Clients.

Clients acknowledge Adviser obtains information from a wide variety of publicly-available sources and Adviser has no sources, and does not claim to have sources, of inside, private, or privileged information. The recommendations developed by Adviser are based upon the professional judgment of Adviser. Adviser does not guarantee the results of any of their recommendations. Specifically, Adviser makes no guarantee that losses in the value of a Client’s investment holdings cannot occur as a consequence of following the advice of Adviser. Clients shall, at all times, elect unilaterally to follow or ignore completely, or in part, any information, recommendations or counsel given by Adviser or his staff under the terms of their engagement agreement.

Clients understand that the recommendations given during any financial planning consultation or contained in any financial plan are valid as of the date of the plan or consultation, and may not be valid for any given period of time beyond such date. Additionally, we provide assistance to financial planning Clients with gathering appropriate information for the preparation of the Client's individual income tax returns for the current calendar/ fiscal year and future years. Furthermore, we coordinate all pertinent data with Client's CPA(s).

Lastly, we coordinate the Client's investment objectives with their brokers, money managers, and/or custody account administrators. Where applicable, this could include the ability of the Client to impose restrictions on investing in certain securities or types of securities (e.g., a restriction not to invest in tobacco- or defense-related entities). We also provide assistance with (i.e., rendering counsel with respect to) the Client's personal financial and estate planning objectives (e.g., related to family gift programs, sale or transfer of real estate and/or business interests, etc.) as requested and/or directed from time to time.

Management of Client Assets Disclosure: the fair market value of Clients' assets under management as of 12/31/2011 (calculated the same as "assets under management" required for Item 5.F in Part 1A of Adviser's Form ADV), was as follows:

Discretionary = \$41,227,094

Non-Discretionary = \$81,452,577

Education and Business Background

Name: Michael J. Bergquist ("MJB")

Date of Birth: 10-16-1953

Education: College for Financial Planning
CFP®, June 1986

University of San Francisco
JD, 1979 (Kendrick Hall School of Law)

Michael J. Bergquist
Michael J. Bergquist Financial & Estate Planning

Willamette University

Bachelor of Arts, Magna Cum Laude, Political Science, 1975

Professional:

1986 to Present

Principal, Michael J. Bergquist Financial & Estate Planning
Santa Barbara, California

Certified Financial Planner™

SEC-Registered Investment Adviser

1985 to 1986

Vice President, Planning & Administration
Smith & Tucker, Inc., Financial Planning and Consulting
Santa Barbara, California

1979 to 1985

Vice President & Trust Officer, Lloyds Bank California
Trust Department Manager 1981-1985
Santa Barbara, California

Examinations/

State Bar of California, 1979

Designations:

College for Financial Planning, (CFP®*), 1986

***Certified Financial Planner™**

The CERTIFIED FINANCIAL PLANNER™, CFP® and federally-registered CFP (with flame design) marks (collectively, the “CFP® marks”) are professional certification marks granted in the United States by the Certified Financial Planner Board of Standards, Inc. (“CFP Board”).

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 62,000 individuals have obtained CFP® certification in the United States.

To currently attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

Michael J. Bergquist
Michael J. Bergquist Financial & Estate Planning

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board’s studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor’s Degree from a regionally-accredited United States college or university (or its equivalent from a foreign university). CFP Board’s financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination – Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one’s ability to correctly diagnose financial planning issues and apply one’s knowledge of financial planning to real world circumstances;
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board’s *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board’s enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

Item 5 – Fees and Compensation

Clients understand that MJBFEF agrees to provide the services described in their engagement agreement with their usual professional standards of accuracy and efficiency. For MJB’s services he shall be paid at the hourly rate of \$360.00, billed in arrears no less frequently than annually (most fee statements, though, are presented on a quarterly basis). The current hourly rates for the services of Adviser's administrative assistants and CFP® Professional, Jonathan K. Wang (“JKW”), are \$60.00 - \$260.00. The hourly fees are billed in six-minute (1/10th of an hour) increments for advisers and staff and may be changed upon 30 days written notice to Clients. Incurred fees are due and payable immediately upon presentation of a written invoice. Hourly fees are non-negotiable. Non-hourly advisory fees will be

quoted and charged on an individual basis depending on the scope of engagement (this latter structure does not affect our hourly-rate Clients). MJBFEF does not auto-debit Clients' accounts for such fees. Clients understand that fees are not charged on an "assets-under-management" basis (i.e., a percentage of the investments covered under the advisory agreement), and acknowledge that services similar to those provided by Adviser may be obtained from alternative sources at fees which may be higher or lower than those detailed above.

Clients are free to obtain legal, accounting, insurance and brokerage services from any professional source to implement the recommendations of Adviser. Clients shall, until proper written notice, retain absolute discretion over all investment and other implementation decisions. Adviser will cooperate with any accountant(s), attorney(s), insurance agent(s), trust officer(s), broker(s), and other professional adviser(s) chosen by Clients with regard to the implementation of any recommendation. Clients are under no obligation to act on the recommendations of Adviser. If Clients elect to act on any of the recommendations, Clients are under no obligation to effect any financial planning, investment, insurance or securities transaction through Adviser or any brokerage firm suggested by Adviser.

MJBFEF's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which may be incurred by the Client. Clients may incur certain charges imposed by custodians, brokers, third party investment advisers and other third parties such as fees charged by trust departments, portfolio managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. MJBFEF primarily recommends no-load, load-waived, or institutional classes of mutual funds. Mutual funds and exchange-traded funds ("ETFs") may also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees, and commissions are exclusive of and in addition to MJBFEF's fee. MJBFEF does not receive any portion of these commissions, fees, or costs.

Item 6 – Performance-Based Fees and Side-By-Side Management

MJBFEF does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of the Client). All MJBFEF fees are as described in Item 5 above and are not charged on the basis of income, capital gains or capital appreciation of the funds or any portion of the funds of an advisory Client.

Item 7 – Types of Clients

MJBFEP provides portfolio management and financial advisory services to individuals, high net worth individuals, executors, trustees, corporations, business entities, trustees of qualified retirement plans, and private foundations.

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

Investing in securities involves risk of loss that Clients should be prepared to bear. MJBFEP draws upon academic research, investment information, and its own analysis to provide comprehensive financial planning and investment advisory services. MJBFEP periodically monitors Clients' portfolios, recommends a strategic asset allocation, recommends specific investments, and suggests changes when appropriate. MJBFEP manages mutual fund, individual equity (stock), and fixed-income portfolios on either a discretionary or non-discretionary basis.

In designing investment plans for Clients, MJBFEP will rely on information supplied by the Client and the Client's other professional advisers pertaining to the Client's financial situation, objectives, time horizon, and risk tolerance. This information becomes the basis for the strategic asset allocation plan which MJBFEP believes best meets the Client's stated long-term goals. The investment plan (or policy), which sets forth the strategic asset allocation, provides for investments in those asset classes that MJBFEP believes (based on MJBFEP's quantitative, qualitative, and cyclical analysis/research of investment options) will possess attractive combinations of return, risk, and correlation over the long-term.

MJBFEP's investment approach is based upon long-term investment strategies incorporating the principles of Modern Portfolio Theory. MJBFEP adheres to the findings of this Theory, which states that strategic asset allocation is determinative of the majority of the expected long-term gross returns of an investor's portfolio. MJBFEP emphasizes the utilization of several different asset classes as part of an investor's portfolio, as this has been shown to effect a reduction in portfolio volatility (i.e., the standard deviation of returns) over long periods of time.

MJBFEP allocates and diversifies the Client's assets among various asset classes and then among individual investments, following the investment policy agreed to by the Client. MJBFEP focuses on developing diversified portfolios, through the use of mutual funds, ETFs, individual equities and bonds that are available to individual investors. Investment policy and overall portfolio weightings between equities and fixed-income

investments are formulated based upon each Client's income needs and desires, risk tolerance, and investment time horizon. The portfolios of Clients will then be designed by MJBFEF to fit these factors.

Sources of Information

MJBFEF's security analysis is based upon a number of factors including those derived from commercially-available software technology, securities rating services, general economic/market/financial information, due diligence reviews, and specific investment analyses that Clients may request. MJBFEF's main sources of information include commercially-available investment information and evaluation services, financial newspapers and journals, academic white papers, periodicals, as well as prospectuses, statements of additional information, and other issuer-prepared information such as the Wall Street Journal, Journal of Financial Planning, Wealth Manager, Money, Financial Advisor, Investment Advisor, Barron's, Morningstar, etc. MJBFEF's advisers also attend various investment, tax, financial and estate planning conferences.

Types of Investments

MJBFEF will typically create a portfolio of no-load stock and bond mutual funds. Some investment portfolios may also include individual fixed-income investments (bonds, CDs, etc.). For Clients with a substantial fixed-income allocation, MJBFEF generally recommends a combination of bond funds and individual fixed-income investments, with actual investments dependent upon MJBFEF's views of the risk/return relationship for various forms of fixed-income investments or bond funds. MJBFEF will generally offer customized fixed-income portfolios. All individual fixed-income securities recommended by MJBFEF will be investment-grade at the time of recommendation. Clients' portfolios may also include individual equity securities. MJBFEF may recommend public real estate investment trusts (REITs) and commodities index or passive mutual funds or ETFs for certain Clients who desire to include real estate or commodities in their asset allocation strategy.

MJBFEF evaluates new Clients' existing investments in light of the agreed-upon investment policy objectives, and works with new Clients to develop a plan to transition from the Client's existing portfolio to the desired portfolio. Investment advice may be offered on any investments held by the Client at the start of the advisory relationship. MJBFEF then monitors each Client's portfolio holdings and strategic asset allocation, taking into account the cashflow needs and income tax situation of the Client. Adjustments to the portfolio are made when needed and/or when directed by the Client.

Risk of Loss. Generally

Investing in securities involves a risk of loss that Clients should be prepared to bear. MJBFEF's investment recommendations seek to limit risk through broad global diversification in equities (through broadly-diversified stock mutual funds and/or separate account management programs) and investment in high quality fixed-income securities or diversified bond funds.

While MJBFEF's investment recommendations seek to limit losses through broad diversification among equity securities, MJBFEF's investment methodology will still subject the Client to short-term, and potentially long-term, declines in the value of their portfolios, which can at times be dramatic. MJBFEF believes that the best method to limit declines in an investor's portfolio is to decrease exposure of the Client to overall stock market forces, while increasing fixed-income allocations. In such a situation, the normally-greater expected returns of the equity portion of the portfolio will typically permit the overall allocation to equities (stocks, stock mutual funds) to be reduced, and the allocation to fixed-income investments increased. MJBFEF believes this is an appropriate method by which to temper the shorter-term volatility of the stock market, especially for Clients who desire cashflow from their portfolios (such as during retirement years).

Given the long-term nature of the expected equity premium (i.e., the additional expected return for investing in the overall stock market relative to less "risky" U.S. Treasury Bills), MJBFEF's investment philosophy is best suited for investors who desire a buy-and-hold strategy. Even then, investing is inherently uncertain as to future returns. While MJBFEF seeks to evaluate both macroeconomic and microeconomic risks, for purposes of weighing risks and returns and for the computation of the expected returns of various asset classes (for use in financial planning decision-making), MJBFEF does not engage in market-timing activities. While MJBFEF can seek to reduce risks to which the Client may be exposed, other risks may be assumed in order to attain the Client's longer-term financial goals; MJBFEF cannot provide any guarantee that the Client's goals and objectives will be achieved.

Risk of Loss. Certain Higher-Risk Securities

Certain securities which MJBFEF recommends, such as U.S. small-cap stock mutual funds, individual equities, high-yield bond funds, international equity funds, and global bond funds, possess higher levels of volatility. MJBFEF employs these securities as part of an overall strategic asset allocation for the Client, and when such is done

MJBFEP possesses a reasonable belief that the risk-return relationship for these securities will likely be beneficial for the investor, over the long term.

Asset Allocation Strategy

After consideration of the Client's investment objective, risk tolerance, and other portfolio specifications, the initial allocation for a Client's portfolio may include a combination of the following four types of investments:

- **Fixed-income:**
Including, but not limited to, U.S. Treasury securities, U.S. Government Agency securities, corporate debt securities, mortgage- and asset-backed securities, preferred stocks (non-convertible), municipal bonds, and global bonds. Commercial paper, bank CDs, repurchase agreements, master notes, and other money-market instruments may also be used. Individual debt instruments must be investment-grade or better at time of purchase. These types of fixed-income investments can also be purchased in the form of a mutual fund.
- **Equities:**
Including, but not limited to, common stocks, convertible preferred stocks, and other equity investments, both domestic and international, that are considered to be of high quality and exhibit a strong potential for growth in capital value and/or income. These types of equities can also be purchased in the form of a mutual fund or ETF.
- **Real Assets:**
Including, but not limited to, direct or indirect ownership of real property offering current income and/or appreciation potential, commodity-linked securities, parcels of property, real-estate partnerships, REITs, and real-estate-based ETFs.
- **Complementary Strategies:**
Including, but not limited to, hedge funds, private equity funds, collars, long-short mutual funds, mutual funds that utilize option contracts, and exchange funds.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a Client's evaluation of MJBFEF or the integrity of MJBFEF's management. Neither MJBFEF nor MJB has any disclosable information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

Michael J. Bergquist runs a full-service financial planning practice. Currently he acts as a sole practitioner, utilizing the services of secretarial, administrative and clerical staff, as well as those of another CFP® Professional.

Michael J. Bergquist also acts as a financial planning adviser for a fee to individuals, trustees, and executors on fiduciary and estate planning matters incidental to the Client's financial plan.

Michael J. Bergquist maintains an active membership in the State Bar of California, although he does not hold himself out as being actively engaged in the practice of law and, as a result, he does not maintain legal professional liability insurance and has not filed a written disclosure guarantee with the Bar. He is not a shareholder or employee of a law corporation. MJBFEF does maintain professional liability insurance for financial planning and investment advisory services.

Michael J. Bergquist is not licensed to sell securities on behalf of any broker-dealer and does not, therefore, receive commissions. However, Michael J. Bergquist does have a material non-exclusive contractual relationship with Charles Schwab & Co.'s ("Schwab") Schwab Advisor Services™ to provide brokerage and related services to some, but not all, of MJBFEF's Clients. MJBFEF is not an employee or agent of Schwab. MJBFEF's Clients also utilize other brokerage services (e.g., Morgan Stanley Smith Barney, Wells Fargo Advisors/Wachovia, Vanguard, etc.), as well as custodial services provided by various bank trust departments. MJBFEF receives no commissions or referral fees from any brokers or broker-dealers.

MJBFEF does not have any arrangements, oral or in writing, where he is paid cash by or receives some economic benefit from a non-Client in connection with giving investment advice to Clients, nor does he directly or indirectly compensate any person for Client referrals.

Neither MJB nor MJBFEF is a general partner in any partnership in which Clients are solicited to invest, nor are they advisers to any investment company that they recommend to Clients.

Item 11 – Code of Ethics

MJBFEF has adopted a Code of Ethics for all supervised persons of the Firm describing its high standard of business conduct and fiduciary duty to its Clients, to which investment advisers and employees are bound to adhere. The Code of Ethics includes provisions relating to the confidentiality of Client information, a prohibition on insider trading, a prohibition on rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at MJBFEF must acknowledge the terms of the Code of Ethics annually, or as amended. MJBFEF's Clients and prospective Clients may request a copy of the MJBFEF's Code of Ethics by contacting Michael J. Bergquist.

MJBFEF and its employees shall always:

- Act in the best interests of each and every Client;
- Act with integrity and dignity when dealing with Clients, prospects, team members, and others;
- Strive to maintain and continually enhance our high degree of professional education regarding Modern Portfolio Theory, strategic asset allocation, and financial, tax, estate, and risk management planning; and
- Seek at all times to preserve MJBFEF's independence and to maintain our complete objectivity with respect to our advisory services and each recommendation made to our Clients.

In addition, MJB and JKW are bound by the Code of Ethics and Professional Responsibility, Rules of Conduct, and Financial Planning Practice Standards set forth by the Certified Financial Planner Board of Standards, Inc.

Item 12 – Brokerage Practices

General

MJBFEP has authority to determine, without obtaining specific Client consent, the securities to be bought or sold. MJBFEP does not have authority to determine, without obtaining specific Client consent, the amount of the securities to be bought or sold, the broker or dealer to be used, or the commission rates paid.

MJBFEP will recommend a broker or brokerage firm when requested by the Client. MJBFEP may act on the Client's behalf under a limited power of attorney to enter purchase or sale orders for the Client with Client's broker after obtaining the Client's consent regarding those orders.

In the situation where the Client directs that the brokerage for their account(s) be placed through a particular brokerage firm or trust department, Client should be aware that MJBFEP is not always able to negotiate commission rates or obtain best execution and does not generally block trade to obtain volume discounts (except where possible through a trust department's trading desk). Clients should also note that there could be a wide disparity between the commission charges levied to directed-brokerage Clients and other advisory Clients.

Although MJBFEP believes that its business methodologies, ethics rules, and adopted policies aim to minimize potential material conflicts of interest (and the appearance of such) and to appropriately manage any material conflicts of interest that may remain, Clients should be aware that no set of rules can possibly mitigate all potential material conflicts of interest. However, in the interest of full disclosure of any such conflicts of interest, we discuss various possible conflicts herein.

We Seek to Avoid Conflicts of Interest

To seek to avoid material conflicts of interest, neither MJBFEP nor any of its employees receive any third party direct monetary compensation (e.g., commissions, 12b-1 fees, or other fees) from brokerage firms (custodians) or mutual fund companies. MJBFEP anticipates that, in appropriate circumstances, consistent with Client's investment objectives, it will cause accounts over which MJBFEP has management authority to effect, and will recommend to investment advisory Clients or prospective Clients, the purchase or sale of securities in which MJBFEP, its affiliated individuals (e.g., employees and family members) and/or Clients, directly or indirectly have a position or interest. Subject to satisfying MJBFEP's Code of Ethics and applicable laws, employees of MJBFEP and its affiliated individuals may trade for their own accounts in

securities which are recommended to and/or purchased by MJBFEF for its Clients. The personal securities transactions, activities and interests of MJBFEF's employees seek to avoid any interference with (i) making decisions in the best interest of MJBFEF Clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Employee trading is continually monitored under the Code of Ethics to reasonably prevent conflicts of interest between MJBFEF and its Clients. Nonetheless, in the rare circumstance when advice related to the purchase or sale of securities will also be implemented at about the same time by MJBFEF or a member of MJB's family, or personnel of MJBFEF, priority in executing such transactions will be given to the Client

Additional services may be provided as outlined below. MJBFEF believes that the services and benefits actually provided to it by brokerage firms, custodians, bank trust departments, and mutual fund providers do not materially affect the investment management recommendations made to Clients of MJBFEF.

Proper Management of Conflicts of Interest between Clients

MJBFEF seeks to avoid situations in which one Client's interest may conflict with the interest of another of its Clients. One circumstance where possible conflicts of interest might arise is when MJBFEF provides financial planning advice to married couples, which is covered with the Clients via a specific dual representation letter.

Research and Soft Dollar Benefits

MJBFEF does not use Client brokerage commissions (or markups or markdowns) to obtain research or other products or services.

In selecting or recommending a broker-dealer or other custodian our Clients' interest in receiving most favorable execution will always be paramount to our interest in receiving research, products or services.

MJBFEF does not cause Clients to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits (known as paying-up).

MJBFEF uses soft dollar benefits to service all of its Clients' accounts. MJBFEF's security analysis is based upon a number of factors, including those derived from general economic/market/financial information, due diligence reviews, and specific investment analyses that Clients may request. MJBFEF's main sources of information include commercially-available investment information and evaluation services,

financial newspapers and journals, academic white papers, periodicals, as well as prospectuses, statements of additional information and other issuer-prepared information (see “Sources of Information” on page seven).

About our Relationships with Custodians

MJBFEP will continue to avoid certain relationships with custodians (brokerage firms, etc.) and investment product providers that it believes might materially hamper its independence in providing advice to its Clients or result in Clients paying higher mutual fund management, administrative, or other product-related fees and costs. For this and other reasons, MJBFEP does not participate in the Client referral programs that may be sponsored by such custodians. MJBFEP does recommend to its Clients mutual funds or ETFs manufactured by affiliates of such custodians, only after a process of due diligence and concludes that such mutual funds or ETFs are the best funds in that particular asset class or which otherwise will best meet the Client’s objectives.

How MJBFEP Selects Broker-Dealers/Custodians

MJBFEP seeks to recommend a broker-dealer/custodian that will hold the Client’s assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. MJBFEP considers a wide range of factors, including, among others:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody); promptness of execution reports and accuracy of confirmations and statements provided to Clients
- Capability to execute, clear, and settle trades (buy and sell securities for Clients’ account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payments, etc.)
- Breadth of available investment products [stocks, bonds (corporate, municipal, U.S. Government Treasuries and Agencies), mutual funds, ETFs, etc.]
- Accurate and competitive pricing when executing capital transactions
- Availability of quality investment research and tools that assist us in making investment decisions
- Competitiveness of the price of services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength, and stability of the broker-dealer/custodian

- Prior and on-going quality of services to MJBFEF and other Clients
- Availability of other products and services that benefit MJBFEF in our capacity as investment advisers

Use of Custodians, Generally

Some custodians (e.g., Schwab) provide MJBFEF with access to institutional trading and custody services, which are typically not available to retail investors. These services generally are available to independent investment advisers on an unsolicited basis and at no charge to them. However, not all independent investment advisers recommend their Clients to particular custodians.

While there is no direct linkage between the investment advice given and custodians used, economic benefits are received from some custodians that would not be received if MJBFEF did not give investment advice to Clients. The benefits provided by these custodians include assistance with practice management and assistance with the management of Clients' accounts, including but not limited to:

(a) receipt of duplicate Client confirmations; (b) receipt of bundled duplicate statements; (c) access to a trading desk serving investment adviser firm participants exclusively, and other market data; (d) access to the investment adviser portion of their web sites that includes practice management articles, compliance updates, and other financial planning related information and research materials (including, for example, rating reports on individual companies from Standard and Poor's or other sources); (e) access to other vendors (such as insurance or compliance providers, or providers of research or other materials) on a discounted fee basis through discounts arranged by the custodians; (f) permitting MJBFEF to access an electronic communication network for Client order entry and to access Clients' account information, and which may otherwise assist MJBFEF with its back-office functions, including recordkeeping and Client reporting; and (g) conferences at which advisers and employees of MJBFEF may attend (with no or reduced registration fees) and receive education on such matters as practice management, marketing, investment theory, financial planning, business succession, regulatory compliance, and information technology. Participation in the custodian's programs also provides access to certain mutual funds that generally require significantly-higher minimum initial investments or are generally available only to institutional investors. MJBFEF believes that the services and benefits actually provided to it by brokerage firms, custodians, bank trust departments, and mutual fund providers do not materially affect the investment management recommendations made to Clients of MJBFEF.

The benefits received through participation in the custodian's programs may depend upon the amount of transactions directed to, or amount of assets held in custody with, the custodian.

Generally, many of these services may be utilized to service all or a substantial number of MJBFEF's accounts. Educational, research, or other services provided by custodians or mutual fund companies may benefit all of MJBFEF's Clients, or may only benefit some Clients.

The Custodian and Brokers MJBFEF Uses

MJBFEF does not maintain custody of our Clients' assets. Clients' assets must be maintained in an account at a "qualified custodian", generally a broker-dealer or bank trust department. When requested to do so by the Client or prospective Client, MJBFEF generally recommends Clients use Schwab, a registered broker-dealer, as the qualified custodian. MJBFEF is independently-owned and operated and is not affiliated with Schwab.

While as a fiduciary MJBFEF endeavors to act in its Clients' best interests, MJBFEF's recommendation that Clients maintain their assets in accounts at Schwab or another qualified custodian may be based in part on the benefit to MJBFEF of the availability to MJBFEF of some of the foregoing products and services at no cost to MJBFEF and not solely on the nature, cost or quality of custody and brokerage services provided by the brokers, and this may create a potential conflict of interest. MJBFEF's Clients may, therefore, pay higher transaction fees, commissions (for individual stock and ETF trades), and principal mark-ups and mark-downs (relating to purchases and sales on a principal, as opposed to an agency, basis), than those charged by other discount brokers. However, MJBFEF has negotiated fees, where possible, with the custodians it recommends, and has selected these custodians for their generally-low fees relative to other large custodians. Also, please note that MJBFEF prefers to recommend custodians to its Clients that possess significant size and financial resources for purposes of our perception of enhanced safety for Clients' funds.

Additionally, MJBFEF currently utilizes the services of American Funds, Bank of America, Schwab, Fidelity Investments Institutional Services, First Republic Bank, Franklin Templeton Investments, J.P. Morgan Chase & Co., Rabobank, Morgan Stanley Smith Barney, Vanguard, Montecito Bank & Trust, Wells Fargo Advisors, and Wells Fargo Private Bank, as custodians for various Clients' accounts.

Client's Brokerage and Custody Costs

For MJBFEF Clients' accounts maintained at Schwab, Schwab generally does not charge separately for custody services but is compensated by charging the Client commissions or other fees on trades that it executes or that settle into the Client's Schwab account. MJBFEF has determined having Schwab execute most trades is consistent with MJBFEF's duty to seek "best execution" of MJBFEF Clients' trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above.

Products and Services Available to MJBFEF from Schwab

Schwab Advisor Services™ (formerly Schwab Institutional®) is Schwab's business serving independent investment advisory firms like MJBFEF. Schwab Advisor Services™ provides MJBFEF and its Clients with access to its institutional brokerage – trading, custody, reporting, and related services – many of which are not typically available to Schwab's retail customers. Schwab also makes available various support services. Some of those services help MJBFEF manage or administer the Clients' accounts while others help MJBFEF manage and grow the business. Schwab's support services generally are available on an unsolicited basis (MJBFEF does not have to request them) and at no charge to MJBFEF as long as MJBFEF Clients collectively maintain a total of at least \$10 million of their assets in accounts at Schwab.

Following is a more detailed description of Schwab's support services:

Services That Benefit Clients

Schwab's Advisor Services brokerage services include access to a broad range of investment products, execution of securities transactions, research materials for investment products and securities (general economic/market/financial information, evaluation services, prospectuses, annual reports, and statements of additional information) and custody of Clients' assets. The investment products available through Schwab include some to which MJBFEF might not otherwise have access or that would require a significantly higher minimum initial investment by the Clients. Schwab's services described in this paragraph generally benefit the Client and their account(s).

Services That May Not Directly Benefit Client

As noted above, Schwab also makes available to MJBFEF other products and services that benefit MJBFEF but may not directly benefit the Client or their account. These products and services assist MJBFEF in managing and administering the Clients'

accounts. They include investment research, both Schwab's own and that of third parties. MJBFEF may use this research to service all or a substantial number of MJBFEF Clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- Provide access to Client account data (duplicate trade confirmations and account statements)
- Facilitate trade execution for Client accounts
- Provide pricing and other market data
- Assist with back-office functions, recordkeeping, and Client reporting

Services That Generally Benefit Only MJBFEF

Schwab also offers other services intended to help MJBFEF manage and further develop its business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal, business needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide MJBFEF with other benefits. MJBFEF accesses and uses Schwab's compliance publications and resources to a considerable extent and has attended its educational conferences and events at MJBFEF's own expense. MJBFEF has accessed and used only minimally, or not at all, the other services noted above.

MJBFEF's Interest in Schwab's Services

The availability of these services from Schwab benefits MJBFEF because MJBFEF does not have to produce or purchase them. Schwab has indicated we will not have to pay for Schwab's services so long as our Clients collectively maintain a total of at least \$10 million of their assets in accounts at Schwab. Beyond that, these services are not contingent upon us committing any specific amount of business to Schwab in trading commissions or assets in custody. This \$10 million minimum may give MJBFEF an incentive to recommend that Clients maintain an account with Schwab, based on MJBFEF's interest in receiving Schwab's services that benefit MJBFEF's business rather

than based on Clients' interest in receiving the best value in custody services and the most favorable execution of transactions. MJBFEF believes its recommendation of Schwab as custodian and broker-dealer is in the best interests of MJBFEF's Clients. MJBFEF's recommendation is primarily supported by the scope, quality, and price of Schwab's services (see "How MJBFEF Selects Broker-Dealers/Custodians") and not Schwab's services that benefit MJBFEF. MJBFEF Clients currently maintain a collective amount of assets at Schwab well in excess of \$10 million, therefore MJBFEF also believes it currently has no incentive to recommend its Clients maintain their assets at Schwab other than for the Client's benefit only. It is also important to remember MJBFEF's Clients may choose any custodian or broker-dealer they wish.

Brokerage for Client Referrals

In selecting or recommending broker-dealers, neither MJBFEF nor a related person receives Client referrals from a broker-dealer or third party.

Directed Brokerage

We do not routinely recommend, request or require that a Client direct us to execute transactions through a specified broker-dealer, except as noted above.

We do permit a Client to direct brokerage, thus we may be unable to achieve most favorable execution of Client transactions in those situations. Directing brokerage may cost Clients more money. For example, in a directed brokerage account, the Client may pay higher brokerage commissions because we may not be able to aggregate orders to reduce transaction costs and the Client may receive less favorable prices.

Item 13 – Review of Accounts

Investment advisory accounts are continuously reviewed and monitored by Michael J. Bergquist, JD, CFP® and/or Jonathan K. Wang, JD, CFP®, and are subject to interim reviews and recommendations if so requested by the Client.

While oral reports of an account's activities and performance are made to the Client as frequently as weekly, written reports are prepared annually and/or per the terms of the Client's fee agreement, or as directed by the Client. These reports are as brief as a listing of the positions held with the attendant yields and gains/losses to date, or as detailed as an analysis with breakdowns by asset categories, yields, cost basis, unrealized gains/losses, performance to date, asset allocation, etc.

Item 14 – Client Referrals and Other Compensation

MJBFEP receives no material economic benefit from non-Clients for providing investment advice or other advisory services to our Clients, except as noted in Item 12 above (e.g., research reports and educational conferences).

MJBFEB receives an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisers whose Clients maintain their accounts at Schwab. These products and services, how they benefit us, and the related potential conflicts of interest are described above (see Item 12 – Brokerage Practices). The availability to MJBFEP of Schwab's products and services is not based on us giving particular investment advice, such as buying particular securities for our Clients.

Item 15 – Custody

MJBFEP does not maintain custody of our Clients' assets. The qualified custodian maintains actual custody of Clients' assets. Clients should receive at least quarterly statements (but usually monthly) from the broker-dealer, bank or other qualified custodian that holds and maintains the Clients' investment assets. Statements are sent to the email or postal mailing address provided by the Client. MJBFEP urges Clients to carefully review such statements promptly when they receive them and compare such official custodial records to the summary position reports provided by MJBFEP. MJBFEP reports may vary from custodial statements based on accounting procedures (e.g., cash basis vs. accrual), reporting dates, or valuation methodologies of certain securities/assets.

Item 16 – Investment Discretion

MJBFEP may receive discretionary authority from the Client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular Client account. MJBFEP may act on the Client's behalf under a limited power of attorney to enter purchase or sale orders for the Client with Client's broker after obtaining the Client's consent regarding those orders.

When selecting securities and determining amounts, MJBFEF observes the investment policies, limitations and restrictions of the Clients for whom it is engaged as the Adviser. Investment guidelines and restrictions will be memorialized and incorporated into each Client's investment policy statement.

Item 17 – Voting Client Securities

The U.S. Securities and Exchange Commission adopted new rules in 2003 and amendments thereto that address an investment adviser's fiduciary responsibility when the adviser retains authority to vote Client security proxies. As previously detailed in our July 28, 2003 memo to Clients, Rule 206(4)-6 requires advisers who have proxy-voting responsibility to adopt policies and procedures designed to ensure that voting policies are fully disclosed and carried out in the best interest of the Client. As advisers we are required to adhere to those proxy practices and disclosures. However, inasmuch as it is not our practice to vote the proxies for investments held by our Clients (e.g., those related to individual stocks' and mutual funds' annual meetings, mergers, tender offers, etc.), all Clients are hereby reminded that it is our policy that the voting of said proxies has been and remains the responsibility of the Client, even in those cases where we may technically have discretionary authority over their investment account(s). This restatement of our long-standing policy regarding proxy voting is incorporated into the Client's engagement letter and fee agreement.

Item 18 – Financial Information

Registered investment advisers are required in this Item to provide Clients with certain financial information or disclosures about MJBFEF's financial condition.

Neither MJB nor MJBFEF has any financial commitment that impairs their ability to meet contractual and fiduciary commitments to Clients, and has not been the subject of a bankruptcy proceeding.

FORM ADV – PART 2B (“BROCHURE SUPPLEMENT”)

Cover Page

Jonathan K. Wang, JD, CFP®

Michael J. Bergquist Financial & Estate Planning

1114 State Street, Suite 300 Santa Barbara, CA 93101

(805) 568-5313

3/25/2011

This Brochure Supplement provides information about Jonathan K. Wang that supplements the Michael J. Bergquist Financial & Estate Planning Brochure. You should have received a copy of that Brochure. Please contact Michael J. Bergquist if you did not receive Michael J. Bergquist Financial & Estate Planning’s Brochure or if you have any questions about the contents of this supplement.

Educational Background and Business Experience

Name: Jonathan Kae-Chi Wang

Date of Birth: 03-06-1980

Education:

University of California, Santa Barbara (1998-2002)
Bachelor of Arts: Business Economics, emphasis in Accounting
University of California, Santa Barbara Extension (2001-2002)
Certification: Professional Financial Planning
Santa Barbara College of Law (2005-2009)
Juris Doctorate, emphasis in Business Law

Professional Background:

Michael J. Bergquist Financial & Estate Planning (October 2000-Current)
Nature of Business: Financial Planning
Position Held: Financial Planner

Scotttrade, Inc. (March 2000- October 2000)
Nature of Business: Brokerage Services
Position Held: Internship

Michael J. Bergquist
Michael J. Bergquist Financial & Estate Planning

Fidelity Investments (June 1999-September 1999)

Nature of Business: Brokerage Services

Position Held: Internship

Professional Designations:

Certified Financial Planner™*

*The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (collectively, the “CFP® marks”) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP Board”).

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 62,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board’s studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor’s Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board’s financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination – Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one’s ability to correctly diagnose financial planning issues and apply one’s knowledge of financial planning to real world circumstances;
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board’s *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

Michael J. Bergquist
Michael J. Bergquist Financial & Estate Planning

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

Supervision

Principal Michael J. Bergquist is responsible for supervising Jonathan K. Wang's advisory activities on behalf of Michael J. Bergquist Financial & Estate Planning. Michael J. Bergquist can be contacted at (805)568-5313.

The monitoring of Jonathan's advice provided to clients is done by Michael J. Bergquist.