

Part 2A of Form ADV: *Firm Brochure*



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2/24/2012

This brochure provides information about the qualifications and business practices of Tilden, Loucks & Woodnorth, LLC. If you have any questions about the contents of this brochure, please contact us at 630-600-0430 or nickp@lasalle-st.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 Tilden, Loucks & Woodnorth, LLC also is available on the SEC's website at 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 106713.

Tilden, Loucks & Woodnorth, LLC is a registered investment advisor. Registration of an investment advisor does not imply any level of skill or training.

Item 2 Material Changes

The SEC adopted "Amendments to Form ADV" in July, 2010. This Firm Brochure, dated 3/18/2011, is our new 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

Tilden, Loucks & Woodnorth, LLC is a SEC-registered investment adviser with its principal place of business located in Illinois. Tilden, Loucks & Woodnorth, LLC began conducting business in 1991. We provide personalized fee-based financial planning and investment management to individuals, trusts, estates, charitable organizations and small businesses. After a thorough consultation, your Investment Advisor Representative ("IAR") will provide you with advice which may include: determination of financial objectives, cash flow management, tax planning, investment management, asset allocation, education funding, retirement planning and estate planning.

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

- McDermott-Holdings 1, LP, Sole Owner

Tilden, Loucks & Woodnorth, LLC offers the following advisory services to our clients:

INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL PORTFOLIO MANAGEMENT

Our firm provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal investment strategy and create and manage a portfolio based on that strategy. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client's prior investment history, as well as family composition and background.

We manage these advisory accounts on a discretionary or non-discretionary basis. Account supervision is guided by the client's stated objectives (i.e., capital appreciation, growth, income, or growth and income), as well as tax considerations.

Our investment recommendations are not limited to any specific product or service and will generally include advice regarding the following securities:

- Exchange-listed securities
- Securities traded over-the-counter
- Foreign issuers
- Warrants
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit
- Municipal securities
- Mutual fund shares
- United States governmental securities
- Options contracts on securities

- Interests in partnerships investing in real estate
- Interests in partnerships investing in oil and gas interests

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

AMOUNT OF MANAGED ASSETS

As of 12/31/2011, we were actively managing \$4,961,864.85 of clients' assets on a discretionary basis plus \$102,064,281.57 of clients' assets on a non-discretionary basis.

Item 5 Fees and Compensation

INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL PORTFOLIO MANAGEMENT FEES

The annualized fee for Investment Supervisory Services are charged as a percentage of assets under management, according to the following schedule:

<u>Assets Under Management</u>	<u>Annual Fee</u>
The first \$1,000,000	1.50%
\$1,000,001 and thereafter	.5625%

Our fees are billed quarterly, in advance, at the beginning of each calendar quarter 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 quarter. All assets in any form in the client's account are considered in determining the portfolio value, including cash balances and money market assets. Fees will be debited from the account. We may charge an annual minimum assets under management fee of \$100.00.

A minimum of \$200,000.00 of assets under management is required for this service. This account size may be negotiable under certain circumstances. Tilden, Loucks & Woodnorth, LLC may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

Limited Negotiability of Advisory Fees: Although Tilden, Loucks & Woodnorth, LLC has established the aforementioned fee schedule(s), we retain the discretion to negotiate 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, among other factors. The specific annual fee schedule is identified in the contract between the adviser and each client.

Management personnel and other related persons of our firm are licensed as registered representatives of a broker-dealer and/or licensed as insurance agents or brokers. In their separate capacity(ies), these individuals are able to implement investment recommendations for advisory clients for separate and typical compensation (i.e., brokerage commissions, 12b-1 fees or other sales-related forms of compensation). This presents a conflict of interest to the extent that these individuals recommend that a client invest in a security which results in a commission being paid to the individuals. Clients are not under any obligation to engage these individuals when considering implementation of advisory recommendations. The

implementation of any or all recommendations is solely at the discretion of the client.

GENERAL INFORMATION

Termination of the Advisory Relationship: A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days 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 taking into the calculation the 30 days written notice noted above.

Mutual Fund Fees: All fees paid to Tilden, Loucks & Woodnorth, LLC 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 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 fund or funds 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.

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. 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 Tilden, Loucks & Woodnorth, LLC'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.

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

Limited Prepayment of Fees: Under no circumstances do we require or solicit payment of fees in excess of \$1200 more than six months in advance of services rendered.

Trade Errors: Any trading errors, profit or loss, will be accessed to the Investment Advisor Representative which could be an inherent conflict of interest. Generally, Tilden, Loucks & Woodnorth, LLC will always make the client whole if there is an Investment Advisor Representative trade error that results in a client loss. The gain, however, in any trade error may be retained by the custodian, the error account of LaSalle St. Securities, LLC, the affiliated broker-dealer, or Tilden, Loucks & Woodnorth, LLC in order to offset future trade error losses. This is a benefit Tilden, Loucks & Woodnorth, LLC derives from its trade error policy.

Fixed Income New Issues: On an occasional basis, LaSalle St. Securities, LLC, our affiliated broker-dealer, may sell newly-issued fixed income securities on a principal basis to our clients. Any such transactions will be effected in accordance with Section 206(3) of the

Investment Adviser's Act of 1940.

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

Tilden, Loucks & Woodnorth, LLC does not charge performance-based fees.

Item 7 Types of Clients

Tilden, Loucks & Woodnorth, LLC provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals
- Charitable organizations
- Trusts
- Estates
- Corporations or other businesses not listed above

As previously disclosed in Item 5, our firm has established certain initial minimum account requirements, based on the nature of the service(s) being provided.

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

METHODS OF ANALYSIS

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

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.

Qualitative Analysis. We subjectively evaluate non-quantifiable factors such as quality of management, labor relations, and strength of research and development factors not readily subject to measurement, and predict changes to share price based on that data.

A risk of using qualitative analysis is that our subjective judgment may prove incorrect.

Asset Allocation. Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance.

A risk of asset allocation is that the client may not participate in sharp increases in a particular

security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

Mutual Fund and/or ETF Analysis. We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

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.

Margin transactions. We will purchase stocks for your portfolio with money borrowed from your brokerage account. This allows you to purchase more stock than you would be able to with your available cash, and allows us to purchase stock without selling other holdings.

We do not use margin transactions as an investment strategy. However, we do recommend, where appropriate, that a client establish a margin account with the client's broker. In this situation, if we are selling one stock and purchasing another stock with the proceeds, we can use the margin account to make certain that you are not left out of the purchase if we have

difficulty completing the sale.

Risk of Loss. Securities investments are not guaranteed and you may lose money on your investments. We ask that you work with us to help us understand your tolerance for risk.

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

Management personnel and Investment Advisor Representatives of Tilden, Loucks & Woodnorth, LLC are separately licensed as registered representatives of LaSalle St. Securities, LLC, an affiliated broker-dealer. These individuals, in their separate capacity, can effect securities transactions for which they will receive separate, yet customary compensation.

While Tilden, Loucks & Woodnorth, LLC and these individuals endeavor at all times to put the interest of the clients first as part of our 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.

Certain members of our firm's management are separately licensed as investment adviser representatives of LaSalle St. Investment Advisors, LLC, an affiliated registered investment advisor. In that capacity, these individuals provide advisory services through LaSalle St. Investment Advisors, LLC. The advisory services delivered by LaSalle St. Investment Advisors, LLC are distinct from those provided by our firm and are provided for separate compensation. There are no referral fee arrangements between our firm and LaSalle St. Investment Advisors, LLC.

As required, any affiliated investment advisers are specifically disclosed in Section 7.A. on Schedule D of Form ADV, Part 1. (Part 1 of our Form ADV can be accessed by following the directions provided on the Cover Page of this Firm Brochure.)

Clients may decide to elect that the same securities or investment products may be purchased at other unaffiliated broker-dealers.

As previously disclosed in Item 5, the Investment Advisor Representatives may also receive a commission for the execution of a transaction and this commission does not reduce the fee generated by the account.

Clients should be aware that the receipt of additional compensation by Tilden, Loucks & Woodnorth, LLC and its management persons or employees creates a conflict of interest that may impair the objectivity of our firm and these individuals when making advisory recommendations. Tilden, Loucks & Woodnorth, LLC endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment adviser; we take the following steps to address this conflict:

- 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;
- we disclose to clients that they are not obligated to purchase recommended investment products from our employees or affiliated companies;
- we collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
- our firm's management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances;
- 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;
- we periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm; and
- 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.

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.

Tilden, Loucks & Woodnorth, LLC 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. Our code also provides for oversight, enforcement and recordkeeping provisions.

Tilden, Loucks & Woodnorth, LLC'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 nickp@lasalle-st.com, or by calling us at 630-600-0430.

Tilden, Loucks & Woodnorth, LLC or individuals associated with our firm may buy securities for the firm or for themselves from our advisory clients; or sell securities owned by the firm or the individual(s) to our advisory clients. We will ensure, however, that such transactions are conducted in compliance with all the provisions under Section 206(3) of the Advisers Act governing principal transactions to advisory clients. On an occasional basis, LaSalle St.

Securities, LLC, our affiliated broker-dealer, may sell newly-issued fixed income securities on a principal basis to our clients.

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 that one of our advisory clients has also performed a transaction in and receive a better price, if there is a relationship between them. This prevents such employees 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:

1. No principal or employee of our firm may put his or her own interest above the interest of an advisory client.
2. 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.
3. It is the expressed policy of our firm that no person employed by us may purchase or sell any security that one of our advisory clients has also performed a transaction in and receive a better price, if there is a relationship between them. This prevents such employees from benefiting from transactions placed on behalf of advisory accounts.
4. No employee of Tilden, Loucks & Woodnorth, LLC is allowed to make a transaction in a "recommended security" for their personal or related accounts, until the recommendation is adequately disseminated to their clients.
5. Our firm does not allow for any IPO or private placement investments by related persons of the firm.
6. 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.

7. We have established procedures for the maintenance of all required books and records.
8. All clients are fully informed that related persons may receive separate commission compensation when effecting transactions.
9. Clients can decline to implement any advice rendered, except in situations where our firm is granted discretionary authority.
10. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
11. We require delivery and acknowledgement of the Code of Ethics by each supervised person of our firm.
12. We have established policies requiring the reporting of Code of Ethics violations to our senior management.
13. Any individual who violates any of the above restrictions may be subject to termination.

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

Item 12 Brokerage Practices

Tilden, Loucks & Woodnorth, LLC does not have any soft-dollar arrangements and does not receive any soft-dollar benefits.

Tilden, Loucks & Woodnorth, LLC 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.

Block trading may allow us to execute equity trades in a timelier, more equitable manner, at an average share price. Tilden, Loucks & Woodnorth, LLC's block trading policy and procedures are as follows:

- 1) 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.
- 2) The portfolio manager must reasonably believe that the order aggregation will benefit, and will enable Tilden, Loucks & Woodnorth, LLC 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.
- 3) 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.
- 4) 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.

5) 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.

6) 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 the Chief Compliance Officer no later than the morning following the execution of the aggregate trade.

7) Tilden, Loucks & Woodnorth, LLC'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.

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

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

National Financial Services, Inc., a unit of Fidelity Institutional Investment Brokerage, Inc., one of the Fidelity companies, will maintain physical custody of funds and securities.

Monthly brokerage statements will be received from the custodian. In addition, certain account charges may be accessed by the custodian, including, but not limited to postage and handling, margin interest, IRA fees, check writing service fees and those fees mandated by law with respect to execution of transactions, such as SEC fees.

In instances where the client has not specified a broker-dealer to execute transactions, Tilden, Loucks & Woodnorth, LLC will affect all trades through its affiliate LaSalle St. Securities, LLC. At any time the client may elect to change execution to a different broker-dealer upon notice to Tilden, Loucks & Woodnorth, LLC. The client may be able to reduce commissions by selecting a broker other than LaSalle St. Securities, LLC at the client's discretion. The Portfolio Managers of Tilden, Loucks & Woodnorth, LLC are, and have been, registered representatives of LaSalle St. Securities, LLC. They will receive compensation for executing trades in their capacity as representatives, which may increase the costs of transactions to the client. This could also be viewed as a conflict of interest (since the portfolio manager may receive compensation for executing trades through LaSalle St. Securities, LLC). In addition, for all transactions executed through LaSalle St. Securities, LLC, clients may incur a minimum \$50.00 commission on every transaction, which may also result in the client paying a higher commission. The client may be able to reduce commission by selecting a broker other than LaSalle St. Securities, LLC at the client's discretion.

Tilden, Loucks & Woodnorth, LLC, although affecting trades through LaSalle St. Securities, LLC in lieu of a decision by the client to use a different broker or brokers, will nonetheless conduct an annual survey of execution to ensure that transactions executed through LaSalle St. Securities, LLC are producing reasonable commission rates and "best execution" of trades as that term is commonly understood.

The best execution review will examine at least the following criteria: (1) commission rates in comparison with other brokers; (2) accuracy and speed of execution; (3) promptness and accuracy in reporting and settlement; (4) financial stability of the broker/dealer; and (5) reputation and past experience. The survey will be made available for client review at the client's request.

Regarding trades affected through LaSalle St. Securities, LLC, the client is given a discount, usually in the range of 20%-35%, from LaSalle St. Securities, LLC's scheduled retail brokerage charges. The amount of the discount, and hence the total amount of commission charged, is determined by Tilden, Loucks & Woodnorth, LLC and LaSalle St. Securities, LLC. This applies to all trades affected through LaSalle St. Securities, LLC (i.e. block trades, individual trades, etc.). On a case-by-case basis, there may be instances where the discount may be further increased at the Portfolio Manager/Registered Representative's discretion.

In addition, Tilden, Loucks & Woodnorth, LLC receives a percentage of margin interest on any account, which employs a margin account. This is an inherent conflict of interest between the client's desire to affect all transactions at the lowest possible costs and Tilden, Loucks & Woodnorth, LLC's desire to maximize income.

Any trading errors, profit or loss, will be accessed to the Investment Advisor Representative which could be an inherent conflict of interest. Generally, Tilden, Loucks, & Woodnorth, LLC will always make the client whole if there is an Investment Advisor Representative trade error that results in a client loss. The gain, however, in any trade error may be retained by the custodian, the error account of LaSalle St. Securities, LLC, the affiliated broker-dealer, or Tilden, Loucks, & Woodnorth, LLC in order to offset future trade error losses. This is a benefit Tilden, Loucks, & Woodnorth, LLC derives from its trade error policy.

For fixed income new issues, LaSalle St. Securities, LLC may split the earned concession with the Investment Advisor Representative/registered representative whose client has purchased the new issue.

In summary, the Portfolio Managers of Tilden, Loucks & Woodnorth, LLC are also registered representatives (brokers) of LaSalle St. Securities, LLC. In their capacity as registered representatives, they receive commissions and other transaction-based concessions on client transactions executed through LaSalle St. Securities, LLC. This may include "trailer" fees on existing business, including what is commonly referred to as "12b-1" fees on certain mutual fund transactions. The receipt of all transaction-based compensation by the portfolio managers acting in their role as registered representatives creates a conflict of interest between, on the one hand, the Tilden, Loucks & Woodnorth, LLC /Portfolio Manager's duty to obtain best price and execution using the fewest number of transactions and, on the other, LaSalle St. Securities, LLC's incentive to maximize revenue and commissions in transacting trades. Both at the time an advisory agreement is executed and at all other times, the client may decide to elect that transactions be executed at other unaffiliated broker-dealers. If the client so elects to use an unaffiliated broker for some or all of his/her trades, Tilden, Loucks & Woodnorth, LLC's ability to negotiate commission discounts and otherwise obtain best price and execution may be limited.

Item 13 Review of Accounts

INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL PORTFOLIO MANAGEMENT

REVIEWS: While the underlying securities within Individual Portfolio Management Services accounts are continually monitored, these accounts are reviewed at least monthly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

All the professional staff of the registrant are qualified to review financial strategy of portfolios and individual investments for its advisory clients. One member has responsibility for each client relationship and initiating changes, and is supported by another member staff. Major questions of portfolio mix are approved by the officer in charge, as is the approved list of securities.

Market value reports of securities are generally provided to clients, four to twelve times per year, but no less than annually. Estimated annual income and cost figures are regularly supplied (based on client information for purchases made previous to advisory agreement).

These accounts are reviewed by:

Ann Woodnorth - Managing Director
Mary Loucks - Investment Advisor Representative
Nicholas M. Petronella - Chief Compliance Officer
Dan Schlessner - Chief Financial Officer

REPORTS: In addition to the monthly statements and confirmations of transactions that clients receive from their custodian, we provide monthly reports summarizing account balances and holdings.

Item 14 Client Referrals and Other Compensation

It is Tilden, Loucks & Woodnorth, LLC's policy not to engage solicitors or to pay related or non-related persons for referring potential clients to our firm.

It is Tilden, Loucks & Woodnorth, LLC's policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

Item 15 Custody

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts.

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.

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 us 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.

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 may provide clients with consulting assistance regarding proxy issues if they contact us with questions at our principal place of business.

Item 18 Financial Information

Under no circumstances do we require or solicit payment of fees in excess of \$1200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

As an advisory firm that maintains discretionary authority for client accounts or is deemed to have custody, we are also required to disclose any financial condition that is reasonable likely to impair our ability to meet our contractual obligations. Tilden, Loucks & Woodnorth, LLC has no financial circumstances to report.

Tilden, Loucks & Woodnorth, LLC has not been the subject of a bankruptcy petition at any time during the past ten years.