

Item 1 – Cover Page

Fusco Financial Services, Inc.

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Date of Brochure: January 2012

This brochure provides information about the qualifications and business practices of Fusco Financial Services, Inc. If you have any questions about the contents of this brochure, please contact Johanna McMichael at 954-524-0900 or johanna@fuscofinancial.net. 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 Fusco Financial Services, Inc. is also available on the Internet at www.adviserinfo.sec.gov. You can view our firm's information on this website by searching for our name Fusco Financial Services, Inc. or our firm CRD number **106841**.

*Registration as an investment advisor does not imply a certain level of skill or training.

Item 2 – Material Changes

There have been no material changes to this disclosure brochure since filing our last annual update in June 2011. However as required by the Dodd–Frank Wall Street Reform and Consumer Protection Act mid-sized investment advisory firms (firms with Assets Under Management between \$25 Million and \$99 Million) must change their primary regulatory authority from the United States Securities and Exchange Commission to the individual States. Fusco Financial Services, Inc. is filing for registration with the State of California and the State of Colorado.

We will ensure that you receive a summary of material changes, if any, to this and subsequent disclosure brochures within 120 days after our fiscal year ends. Our fiscal year ends on March 31 so you will receive the summary of material changes, if any, no later than July 30 each year. At that time we will also offer a copy of the most current disclosure brochure. We may also provide other ongoing disclosure information about material changes as necessary.

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Item 4 – Advisory Business

Fusco Financial Services, Inc. was initially registered as an investment advisor registered with the United States Securities and Exchange Commission (“SEC”) in November 1984. As required by the Dodd–Frank Wall Street Reform and Consumer Protection Act, Fusco Financial Services, Inc. is filing its initial application for registration as an investment advisor registered with the states of Florida and Colorado and is a Corporation formed under the laws of the State of Florida.

Fusco Financial Services is 100% owned by Johanna M. McMichael.

Fusco Financial Services Management:

- Johanna, M. McMichael, President, Chief Compliance Officer, Treasurer
- Kenneth M. Fusco, Vice President

The advisor representatives of Fusco Financial Services are also licensed as registered representatives with Securities America, Inc. a registered broker/dealer, member FINRA/SIPC, and some of our advisor representatives are also independent insurance agents. When acting in these capacities, our advisor representatives will earn commissions. Our advisory representatives typically spend less than 25% their time providing commission-based services through Securities America. These potential conflict of interest situations are discussed in more detail at *Item 5, Item 10, Item 12, and Item 14 of this Disclosure Brochure*.

General Description of Primary Advisory Services

The following are brief descriptions of Fusco Financial Services’ primary services. A detailed description of Fusco Financial Services’ services is provided in *Item 5 – Fees and Compensation* so that clients and prospective clients can review the description of services and description of fees in a side-by-side manner.

Financial Planning Services - Fusco Financial Services provides advisory services in the form of financial planning services. Financial planning services do not involve the active management of client accounts, but instead focuses on a client’s overall financial situation. Financial planning can be described as helping individuals determine and set their long-term financial goals, through investments, tax planning, asset allocation, risk management, retirement planning, and other areas. The role of a financial planner is to find ways to help the client understand his/her overall financial situation and help the client set financial objectives.

Asset Management Services - Fusco Financial Services provides advisory services in the form of Asset Management Services. Asset Management Services involve providing clients with continuous and on-going supervision over client accounts. This means that we will continuously monitor a client’s account and make trades in client accounts when necessary.

Limits Advice to Certain Types of Investments.

Fusco Financial Services provides investment advice on the following types of investments:

- Exchange-listed securities (i.e. stocks)
- Securities traded over-the-counter (i.e. stocks)
- Warrants

- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit
- Municipal securities
- Variable life insurance
- Variable annuities
- Mutual fund shares
- United States government securities
- Options contracts on securities
- Interests in partnerships investing in real estate and oil and gas interests

Fusco Financial Services does not provide advice on foreign issues, options contracts on commodities, or futures contracts on tangibles or intangibles.

Fusco Financial Services and our consultants may provide advice about a variety of investments. In addition to the types of investments listed above, Fusco Financial Services may provide advice or make recommendations concerning partnerships, investing in real estate, oil and gas interests, real estate investment trusts (REITs), collateralized mortgage obligations (CMO's), equipment leasing, and various tax-favored partnerships engaged in a variety of activities. Advice or recommendations may also be given with respect to insurance products.

When providing asset management services, Fusco Financial Services typically constructs each client's account holdings using mutual funds and equities to build diversified portfolios. It is not our typical investment strategy to attempt to time the market but we may increase cash holdings modestly as deemed appropriate, based on your risk tolerance and our expectations of market behavior. We may modify our investment strategy to accommodate special situations such as low basis stock, stock options, legacy holdings, inheritances, closely held businesses, collectibles, or special tax situations.

(Please refer to Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss for more information.)

Participation in Wrap Fee Programs

Fusco Financial Services does not offer wrap-fee programs. A wrap fee program is defined as any advisory program under which a specified fee or fees not based directly upon transactions in a client's account is charged for investment advisory services (which may include portfolio management or advice concerning the selection of other investment advisers) and the execution of client transactions. Whenever a fee charged to a client for services described in this brochure (whether wrap fee or non-wrap fee), Fusco Financial Services will receive all or a portion of the fee charged.

Tailor Advisory Services to Individual Needs of Clients

Our services are always provided based on the individual needs of each client. This means, for example, that you are given the ability to impose restrictions on the accounts we manage for you, including specific investment selections and sectors. We work with each client on a one-on-one basis through interviews and questionnaires to determine the client's investment objectives and suitability information.

Client Assets Managed by Fusco Financial Services, Inc.

The amount of client assets managed by Fusco Financial Services totaled \$56,875,389.00 as of December 31, 2011. \$0 are managed on a discretionary basis and \$56,875,389.00 are managed on a non-discretionary basis.

Item 5 – Fees and Compensation

In addition to the information provide in *Item 4 – Advisory Business*, this section provides additional details regarding our firm's services along with descriptions of each service's fees and compensation arrangements.

FINANCIAL PRODUCTS AND SERVICES AVAILABLE

Fusco Financial Services, Inc. offers a broad range of financial products and services. Fusco Financial Services' Wealth Management services and fee arrangements are described in the following pages. Clients are offered this wide range of products and services in order to better meet their specific needs.

Through Fusco Financial Services, clients can obtain investment advice, investment management, securities brokerage, fixed and variable annuities, other insurance products, and a variety of other financial services. Clients are under no obligation to purchase any financial products or services from Fusco Financial Services. Clients are not required to work with Fusco Financial Services on an exclusive basis and may obtain financial products and services from other sources.

INVESTMENT RISKS AND REWARDS

Securities and other types of investments all bear different types and levels of risk. Those risks are typically discussed with Clients in defining the investment policies and objectives that will guide investment decisions for their accounts. Upon request, as part of our advisory services, Fusco Financial Services consultants can discuss those investments and investment strategies that we believe may tend to reduce these risks for a particular Client's circumstances.

Clients must realize that obtaining higher rates of return on investments entails accepting higher levels of risk. Based upon discussions with Clients, Fusco Financial Services consultants attempt to identify the balance of risks and rewards that is appropriate and comfortable for the Client. It is still the Client's responsibility to ask questions if he or she does not fully understand the risks associated with any investment. Clients are strongly encouraged to read prospectuses, when applicable, and ask questions prior to investing.

Fusco Financial Services and its Wealth Management consultants strive to render our best judgment for our Clients. Still, we cannot assure Clients that investments will be profitable or assure that no losses will occur in their portfolios. Past performance is an important consideration with respect to any investment or investment advisor, but it is not necessarily an accurate predictor of future performance.

SERVICES OFFERED BY FUSCO FINANCIAL SERVICES

A variety of Wealth Management services are available. With the assistance of Fusco Financial Services and its consultants, Clients can select appropriate planning services from among three general categories. Specific services, related fee arrangements, and all terms and conditions of our services are

contained in the applicable Client Services Agreement that is provided for Clients' signature. The three general advisory service categories are:

Plan 1 – Financial Planning Services: Financial planning components may be any or all of the following:

- Tax Analysis
- Cash Flow Analysis
- Retirement Analysis
- Estate Analysis
- Investment Analysis
- Insurance Analysis

Financial Planning services are rendered on behalf of Clients by Fusco Financial Services consultants at an hourly rate or a fixed fee. Single-need analysis is also offered with the scope of our review and recommendations related solely to a specific objective.

PLAN 1 - Financial Planning

When generating a financial plan, the Fusco Financial Services consultants may:

- A. Consult with Client and analyze the Client's financial needs and objectives based upon the information provided by the Client; or
- B. Prepare a written financial plan based upon the Client's identified financial needs and objectives; or
- C. Discuss and review with the Client at least annually or more frequently as is dictated by the nature of the Client's investments or Client's request; and
- D. Recommend either verbally or in writing, changes in Client investments, strategy, or financial plan in connection with the review of Client investments or the identification of new financial needs or objectives by the Client.
- E. When called for, Fusco Financial Services' consultants may conduct a single-needs analysis to provide research, plan design, or specific investment advice for the Client who does not need or desire the more traditional financial planning process described in parts (a) through (d).

All financial planning analyses and recommendations will be based upon information provided to Fusco Financial Services consultants by the Client. There will be no independent investigation of Client background information, nor update of such information, without the express involvement and consent of the Client. It remains the Client's responsibility to advise the Fusco Financial Services consultants of any changes in circumstances, e.g. financial needs, objectives, goals and investments held with other firms or any other changes which would impact the Client's financial condition.

PLAN 1 - Fees

If you elect to engage us for this service, we will provide financial analysis and financial planning services consistent with your current financial and tax status, financial goals, investment attitudes and risk/reward parameters. The fees for these services are generally based on the complexity of the proposed plan and the time required to perform the services and is billed on a per hour basis.

Charges for professional services performed by Fusco Financials' Investment Advisor Representatives range from \$250 to 1,000 per hour, subject to a minimum fee of \$1500 and a maximum fee of \$10,000

depending upon the complexity of Client's situation and the services to be rendered. Hourly charges for non-investment advisory activities performed by other individuals associated with Fusco Financial Services such as Clerical Employees and Para-Planners ranges from \$100 to \$175. Fusco Financial Services does not provide legal or tax advice. Clients are encouraged to seek proper legal and tax counsel.

An estimate of the time required will be made before work begins, and a maximum fee will be indicated on the advisory agreement signed by the client. One-half of the estimated fee may be due and payable upon acceptance of the Client Services Agreement by the Fusco Financial Services consultants. In such a case, the balance of the fees will be due and payable upon presentation of the plan. Otherwise, the entire fee will be due and payable upon delivery of the plan or recommendations. Payment arrangements will be specified in the Client Services Agreement. Under no circumstances will Fusco Financial Services require prepayment of more than \$500 in fees per Client and six months or more in advance.

Fixed or hourly fees are estimated by Fusco Financial Services consultants based upon a preliminary assessment of the complexity of the Client's financial circumstances, the level of skill required to perform the services, and, accordingly, the time likely to be required to perform the services. This fee schedule may be changed periodically upon thirty days' prior written notice to the Client. The Client Services Agreement and rate may be modified in writing by Fusco Financial Services and the Client for special situations, such as more frequent reviews, more specialized or complex plan design and reporting, and any other extraordinary services.

Financial planning services automatically terminate upon presentation of the plan to the client or upon completion of the consultation. Either party can also terminate the advisory agreement before then by providing written notice to the other party. Termination will be effective upon receipt of notice. If terminated within five business days of signing the advisory agreement, services are terminated without penalty. If the agreement is terminated after five business days but prior to completion of services, at the option of Fusco Financial Services' associated persons, clients may be responsible for the time expended and expenses disbursed prior to receipt of the termination notice. In this case, Fusco Financial Services will provide the client with a statement detailing the time and expenses due.

Plan 2 – Investment Advisory Services: Investment advisory services consist of the following six steps:

- Step 1: Set Goals and Assess Risk Tolerance
- Step 2: Develop a plan
- Step 3: Select Strategies
- Step 4: Implement Investment Decisions
- Step 5: Evaluate Results
- Step 6: Review and Adjust Client's Plan

Also included in the Investment Advisory Services is asset allocation, product recommendation and implementation, and portfolio performance analysis. These services rendered on behalf of Clients by Fusco Financial Services consultants are on a commission basis, in their capacity as registered representative, or for a fee based on a percentage of assets under supervision or management, in their capacity as investment advisors.

Clients may choose to receive investment advisory services directly from Fusco Financial Services consultants. Under the terms of the Client Services Agreement, our consultants may:

- A. Review the performance of the Client's investments (whether or not purchased through Fusco Financial Services) in light of the Client's identified needs, objectives, and financial plan. This review may be performed on a continuous basis or a periodic basis, as agreed upon by the Client and specified in the Client Services Agreement.
- B. Recommend changes in the Client's investments, investment strategy, or financial plan, may be either verbally or in writing. Recommendations may be given in connection with the review of the Client's current investments or the Client's financial needs or objectives as identified by the Client.
- C. Report on the current status of Client holdings on a periodic basis, as agreed upon in the Client Services Agreement.

Client portfolio positions will be held at the company from whom such assets were purchased, or in a brokerage account.

PLAN 2 - Fees

As compensation for investment advisory services, the Client will have the choice to pay Fusco Financial Services a fee based on one of two options as follows:

Asset Allocation Fee:

The maximum fee is .35% of the funds in the portfolio, per year.
The minimum fee is \$1500.

Product Recommendation and Implementation Fee:

Analysis and Specific Recommendations .35% of the funds in the portfolio, per year.

Portfolio Performance Analysis:

The maximum annual fee is .50% of funds under management and is payable quarterly.
This fee includes rebalancing the portfolio and quarterly reporting.
(The above fees may be adjusted depending upon size of portfolio)

OR

Market Value of Account

Annual Rate

On first \$500,000	1.00%
Plus on assets over \$500,000 and less than \$1,000,000	.75%
Plus on assets over \$1,000,000 and less than \$3,000,000	.50%
Plus on assets over \$3,000,000	.25%

Fusco Financial Services may offset future fees by commissions previously paid.

In some cases these fees may be negotiated. This fee schedule is subject to change with thirty days' advance written notice.

For new or transferred accounts, the initial fee will be due in full on the day the account is opened or transferred to Fusco Financial Services, and will be based on the account asset value on that date. The amount due will be prorated for the first calendar quarter in which the account is with Fusco Financial Services. The fee for subsequent quarters shall be based on the account asset value at the end of the preceding quarter. Advisory fees are payable quarterly in advance.

Cost is used as the valuation amount for limited partnerships. Limited partnerships are illiquid investments and, if liquidation is possible, the limited partnerships can be worth less than the original investment amount.

Upon termination of an account, a refund of fees will be prorated based on the number of days remaining in the quarter after the date of withdrawal. No refunds will be made for partial account withdrawals during the quarter.

Fees payable to Fusco Financial Services may be deducted from the Client's account when due, as authorized by the Client in writing. If the client account does not have enough available cash to facilitate the payment of advisory fees the advisor and the client will discuss the appropriate assets to liquidate to cover the quarterly fee payment.

Clients will be notified of the fee and each quarter will authorize remittance to be made to Fusco Financial Services from the portfolio. The Client will receive in advance a written notification of the fee amount invoiced and all the specifics on how the fee was calculated. Periodic portfolio statements to the Client will indicate all amounts disbursed from the account. The Client may prospectively terminate authorization for automatic fee deduction of advisory fees payable to Fusco Financial Services at any time by notifying Fusco Financial Services in writing.

Please note that our fees may be higher than fees charged by other financial professionals providing similar services.

Compensation for the Sale of Securities or Other Investment Products

As briefly disclosed in *Item 4 – Advisory Business*, our advisor representatives can sell securities in their separate capacities as registered representatives of Securities America. In addition, they may sell insurance products in their capacities as independent insurance agents for sales commissions.

Some of the advice offered by our advisor representatives may involve investments in mutual fund products. Load and no-load mutual funds may pay annual distribution charges sometimes referred to as 12b-1 fees. In addition to the investment advisory fee, the client will also pay certain transaction charges to defray the costs associated with trade execution. However, our advisor representatives do not receive any portion of the transaction charges and other compensation such as commissions, loads, etc. when holding mutual funds in advisory accounts. If a No-Load Fund or Fund purchased at NAV in an advisory account does pay 12b-1 fees our advisor representatives in their separate capacity as registered representatives of Securities America do receive a portion of those fees. This receipt of 12b-1 fees does create a potential conflict of interest for the advisor since the incentive is there to recommend investments that offer this type of revenue. However it is the policy of Fusco Financial that all investment recommendations will be in the best interest of the client without regard any potential additional revenue stream.

When administering non-advisory, non-fee based accounts through Securities America, our advisor representatives will receive normal and customary commissions. This will include a portion of 12b-1 fees, trailer fees, and loads from some investment companies. Clients should be aware that these 12b-1 fees come from fund assets, and thus, indirectly from client's assets. The receipt of these fees could represent an incentive for registered representatives to recommend funds with 12b-1 fees or higher 12b-1 fees over funds with no fees or lower fees, therefore creating a potential conflict of interest.

You are never obligated to use Securities America and you are never obligated to purchase investment products through our investment advisor representatives. You have the option to purchase investment products through other brokers or agents that are not affiliated with Fusco Financial Services.

TERMINATION OF SERVICES AND REFUNDS

Any Client Services Agreement under Plans 1 and 2 may be terminated by the Client without penalty upon delivery of written notice to Fusco Financial Services within five business days after the date of the Client's execution of the Client Services Agreement. After this initial five-day period has elapsed, either party may terminate the contract upon 30 days' written notice.

All fees paid by the Client will be promptly refunded if the Client Services Agreement is terminated during the initial five-day period.

After the initial five-day period, any unearned portion of prepaid advisory fees will be refunded to the Client within sixty days of the receipt of that notice. Any unpaid portion of earned advisory fees shall be promptly paid by the Client upon receipt of Fusco Financial Services' billing notice.

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

Item 6 is not applicable to this Disclosure Brochure because Fusco Financial Services does not charge or accept performance-based fees. Performance-based fees are fees based on a share of capital gains or capital appreciation of the assets held within a client's account.

Item 7 – Types of Clients

Fusco Financial Services generally provides investment advice to the following types of clients:

- Individuals
- High-Net Worth Individuals
- Pension and profit sharing plans
- Trusts, estates, or charitable organizations

Minimum Investment Amounts Required

Fusco Financial Services requires a minimum of \$250,000.00 to establish and maintain an Asset Management Account.

Fusco Financial Services has a minimum fee of \$1500 for preparation of a written financial plan.

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

Methods of Analysis

We may use the following methods of analysis in formulating investment advice:

Charting - The set of techniques used in technical analysis in which charts are used to plot price movements, volume, settlement prices, open interest, and other indicators, in order to anticipate future price movements. Users of these techniques, called chartists, believe that past trends in these indicators can be used to extrapolate future trends.

Cyclical - Analyzes the investments sensitive to business cycles and whose performance is strongly tied to the overall economy. For example, cyclical companies tend to make products or provide services that are in lower demand during downturns in the economy and higher demand during upswings. Examples include the automobile, steel, and housing industries. The stock price of a cyclical company will often rise just before an economic upturn begins, and fall just before a downturn begins. Investors in cyclical stocks try to make the largest gains by buying the stock at the bottom of a business cycle, just before a turnaround begins.

Fundamental - A method of evaluating a security by attempting to measure its intrinsic value by examining related economic, financial and other qualitative and quantitative factors. Fundamental analysts attempt to study everything that can affect the security's value, including macroeconomic factors (like the overall economy and industry conditions) and individually specific factors (like the financial condition and management of companies). The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price in hopes of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short). This method of security analysis is considered to be the opposite of technical analysis. Fundamental analysis is about using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.

Technical - A method of evaluating securities by analyzing statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity. Technical analysts believe that the historical performance of stocks and markets are indications of future performance.

Investment Strategies

Fusco Financial Services uses the following investment strategies when managing client assets and/or providing investment advice:

Investment strategies and recommendations may be based upon consideration of any of the following:

- A. Diversification – for the purpose of balancing risk while maintaining the possibility of gain; or
- B. Risk Factors – including the risk of capital loss (market risk) and the risk of loss of purchasing power (inflation risk), and the Client's understanding of, and financial ability to bear, such risks, or
- C. Asset Balance – taking into consideration short and long-term liquidity needs, blending of lesser and greater risk approaches, and combining income, growth, and safety concepts, or
- D. Discipline – emphasizing commitment and follow through over a reasonable period of time in order to permit the investment plan or recommendation(s) to achieve the intended result, or
- E. Income Tax Considerations – should not replace economic benefits as the principal determinant of investment decisions.

Long term purchases. Investments held at least a year.

Short term purchases. Investments sold within a year.

Trading. Investments sold within 30 days.

Margin transactions. When an investor buys a stock on margin, the investor pays for part of the purchase and borrows the rest from a brokerage firm. For example, an investor may buy \$5,000 worth of stock in a margin account by paying for \$2,500 and borrowing \$2,500 from a brokerage firm. Clients cannot borrow stock from Fusco Financial.

Primarily Recommend One Type of Security

We primarily recommend only one type of security, Mutual Funds. However, other investments may be recommended in response to the individual needs of the client. Some of the risks involved with primarily recommending this type of security are listed below.

Risk of Loss

Past performance is not indicative of future results. Therefore, you should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, and bonds) involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. You should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, our firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. There are certain additional risks associated when investing in securities through our investment management program.

- **Market Risk** – Either the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of client investments. This is also referred to as systemic risk.
- **Equity (stock) market risk** – Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.
- **Company Risk** - When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.
- **Fixed Income Risk** - When investing in bonds, there is the risk that issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will

erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.

- **ETF and Mutual Fund Risk** - When investing in a an ETF or mutual fund, you will bear additional expenses based on your pro rata share of the ETF's or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. Clients will also incur brokerage costs when purchasing ETFs.
- **Management Risk** - Your investment with our firm varies with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our investment strategies do not produce the expected returns, the value of the investment will decrease.
- **Margin Risks** - When you purchase securities, you may pay for the securities in full or you may borrow part of the purchase price from your Account Custodian or Clearing Firm. If you intend to borrow funds in connection with your Account, you will be required to open a margin account, which will be carried by Clearing Firm. The securities purchased in such an account are Clearing Firm's collateral for its loan to you.

If the securities in a margin account decline in value, the value of the collateral supporting this loan also declines, and, as a result, a brokerage firm is required to take action, such as issue a margin call and/or sell securities or other assets in your accounts, in order to maintain necessary level of equity in the account.

It is important that you fully understand the risks involved in trading securities on margin, which are applicable to any margin account that you may maintain, including any Margin Account that may be established as a part of the Asset Management Agreement established between you and (Advisory Firm Name) and held by the Account Custodian or Clearing Firm.

These risks include the following:

- **You can lose more funds than you deposit in your margin account.**
- **The Account Custodian or Clearing Firm can force the sale of securities or other assets in your account.**
- **The Account Custodian or Clearing Firm can sell your securities or other assets without contacting you.**
- **You are not entitled to choose which securities or other assets in your margin account that may be liquidated or sold to meet a margin call.**
- **The Account Custodian or Clearing Firm may move securities held in your cash account to your margin account and pledge the transferred securities.**
- **The Account Custodian or Clearing Firm can increase its "house" maintenance margin requirements at any time and are not required to provide you advance written notice.**
- **You are not entitled to an extension of time on a margin call.**

Item 9 – Disciplinary Information

Item 9 is not applicable to this Disclosure Brochure because there are no legal or disciplinary events that are material to a client's or prospective client's evaluation of our business or integrity.

Item 10 – Other Financial Industry Activities and Affiliations

Fusco Financial Services is **not** and does **not** have a related company that is a:

1. Broker/dealer, municipal securities dealer, government securities dealer or broker,
2. Investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund),
3. Other investment adviser or financial planner,
4. Futures commission merchant, commodity pool operator, or commodity trading advisor,
5. Banking or thrift institution,
6. Accountant or accounting firm,
7. Lawyer or law firm,
8. Insurance company or agency,
9. Pension consultant,
10. Real estate broker or dealer, or
11. Sponsor or syndicator of limited partnerships.

Relationship with Securities America, Inc.

If the client wants to, the client can engage the investment advisor representatives of the firm (but not the firm) in their separate capacities as registered representatives of Securities America, to render securities brokerage services under a commission arrangement.

You are never obligated to use open an account with Securities America and can use any broker/dealer you like. However, if you would like to open an account with one of our advisor representatives, Securities America is required.

Brokerage commissions may be charged by Securities America to effect these securities transactions and, thereafter, a portion of these commissions will be paid by Securities America to such investment advisor representatives as registered representatives of Securities America. Prior to effecting any transactions, the client will be required to enter into a new account agreement with Securities America. The brokerage commissions charged by Securities America may be higher or lower than those charged by other broker/dealers. In addition, the registered representatives may also receive additional ongoing 12b-1 fees for mutual fund purchases from the mutual fund company during the period that the client maintains the mutual fund investment. Please also refer to *Item 5 – Fees and Compensation: Compensation for Sale of Securities or Other Compensation* for more information.

Depending on the type of account that could be used to implement a financial plan or investment strategy, such compensation may include (but is not limited to) advisory program fees; commissions; mark-ups and mark-downs; transaction charges; confirmation charges; small account fees; mutual fund 12b-1 fees; mutual fund sub-transfer agency fees; hedge fund managed futures, and variable annuity investor

servicing fees; retirement plan fees; administrative services fees for trust accounts; compensation for directing order flow; and bonuses, awards or other things of value offered by Securities America to the advisor representative.

This compensation to the advisor representative and Securities America may be more or less depending on the product or service the advisor representative recommends. Therefore, the advisor representative may have a financial incentive to recommend that a financial plan be implemented using a certain product or services.

The investment advisor representatives of Fusco Financial may recommend securities or insurance products offered by Securities America (or other insurance firms), and will receive the normal commissions if products are purchased through them; thus a conflict of interest exists between their interests and those of Fusco Financial 's clients. Clients are under no obligation to purchase products recommended by investment advisor representatives or to purchase products either through Fusco Financial or Securities America.

Insurance Sales Activities

Some investment advisor representatives are licensed to provide insurance services to clients. Insurance products are provided to clients for personal, estate and business need to minimize clients' exposure to identified risks. Although clients are under no obligation to purchase insurance products recommended by investment advisor representative in their separate capacities and insurance agents, clients often purchase such products when needs arise. For clients of Fusco Financial Services who purchase products causing commissions to be generated these are paid to the investment advisor representatives in their separate capacities as insurance agents. For those investment advisor representatives who are insurance licensed, this activity varies throughout the year.

You are never obligated or required to purchase insurance products through one of our advisor representatives licensed as insurance agents. However, when acting as an insurance agent, our advisor representatives can help you purchase insurance products and will receive separate compensation (i.e. insurance commissions) in addition to investment advisory fees charged by Fusco Financial Services. Clients that choose to purchase insurance products through one of our advisor representatives should be aware they will generally only recommend insurance products of those companies for whom they are sales agents and with which they are familiar with the benefits, exclusions and other terms.

Because our advisor representatives will receive commissions for selling insurance products, there is a conflict of interest in that they may recommend policies to clients that do not require or need insurance. To control for this conflict of interest and to be consistent with our firm's fiduciary duty, our advisor representatives strive to recommend insurance products only to those clients who need new or additional insurance coverage.

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

Code of Ethics Summary

According to the *Investment Advisers Act of 1940*, an investment advisor is considered a fiduciary. As a fiduciary, it is an investment advisor's responsibility to provide fair and full disclosure of all material facts. In addition, an investment advisor has a duty of utmost good faith to act solely in the best interest of each

of client. Fusco Financial Services and its consultants have a fiduciary duty to all clients. Fusco Financial Services has established a Code of Ethics that all consultants must read and then execute an acknowledgment agreeing that they understand and agree to comply with Fusco Financial Services' Code of Ethics. The fiduciary duty of Fusco Financial Services consultants to clients is considered the core underlying principle for the Fusco Financial Services' Code of Ethics and represents the expected basis for all consultants' dealings with clients. Fusco Financial Services has the responsibility to make sure that the interests of clients are placed ahead of it or its consultants' own investment interests. All consultants will conduct business in an honest, ethical and fair manner. All consultants will comply with all federal and state securities laws at all times. Full disclosure of all material facts and potential conflicts of interest will be provided to clients prior to services being conducted. All consultants have a responsibility to avoid circumstances that might negatively affect or appear to affect the consultants' duty of complete loyalty to their clients. This section is only intended to provide current clients and potential clients with a description of Fusco Financial Services' Code of Ethics. If current clients or potential clients wish to review Fusco Financial Services' Code of Ethics in its entirety, a copy may be requested from any of the consultants and a copy will be provided promptly.

Affiliate and Employee Personal Securities Transactions Disclosure

Fusco Financial Services consultants may recommend to Clients the purchase or sale of securities, insurance or other investment products in which the consultants may have some financial interest, including, but not necessarily limited to, the receipt of commissions in connection with the transaction. Fusco Financial Services consultants may buy or sell for themselves securities or products recommended to Clients. Fusco Financial Services consultants will always be in compliance with *The Insider Trading and Securities Fund Enforcement Act of 1988*. Fusco Financial Services consultants may make conflicting or differing recommendations with respect to the same securities or insurance products to different Clients. No person employed by Fusco Financial Services may purchase or sell any security prior to a transaction or transactions being implemented for an advisory account. Fusco Financial Services consultants shall not buy or sell securities for their personal account(s) where their decision is derived, in whole or in part, by information obtained as a result of his/her employment, unless the information is also available to the investing public upon reasonable inquiry.

Item 12 – Brokerage Practices

Clients are under no obligation to act on the financial planning recommendations of Fusco Financial Services. If the firm assists in the implementation of any recommendations, we are responsible to ensure that the client receives the best execution possible.

Fusco Financial Services consultants are also registered representatives of Securities America, Inc. (SAI), a full service broker/dealer, member FINRA/SIPC. When placing securities transactions through SAI in their capacity as registered representatives, they may earn sales commission.

Fusco Financial Services consultants may recommend that Clients open, maintain and effect transactions through an account with the consultants' broker/dealer, though Clients are made aware that they are under no obligation to do so. In maintaining a securities brokerage account with, or effecting transactions through the broker/dealer of Fusco Financial Services consultants, Clients may incur higher transactional costs in the form of commissions or ticket charges than if their account were held elsewhere. Additionally, for Client accounts held at the consultants' broker/dealer, specific product recommendations made with

respect to investment company shares might be affected by load factors and incur commission costs that need not necessarily have been incurred.

Securities America, Inc. has a wide range of approved securities products for which it performs due diligence in selection. If client elects a Fusco Financial Services consultant to implement securities transactions in his or her registered representative capacity, the registered representative is required to adhere to these products.

However, the ultimate decision as to which broker/dealer is used, or what product is purchased, remains that of the Client.

Fusco Financial Services consultants sell securities and insurance products in their separate capacities as registered representatives and independent insurance agents. They can earn commissions when selling these products. Some of the advice offered by the consultants involves investments in mutual fund products. Load and no-load mutual funds may pay annual distribution charges, sometimes referred to as 12(b)-1 fees. The consultants may receive a portion of these 12(b)-1 fees from some investment companies in their separate capacities as registered representatives. Clients should be aware that these 12(b)-1 fees come from fund assets, and thus, indirectly from Client's assets. The receipt of these fees could represent an incentive for registered representatives to recommend funds with 12(b)-1 fees or higher 12(b)-1 fees over funds with no fees or lower fees, therefore creating a potential conflict of interest.

Fusco Financial Services may time to time receive expense reimbursement for travel and/or marketing expenses from distributors of investment and/or insurance products. Travel expense reimbursements are typically a result of attendance at due diligence and/or investment training events hosted by product sponsors. Marketing expense reimbursements are typically the result of informal expense sharing arrangements in which product sponsors may underwrite costs incurred for marketing such as advertising, publishing and seminar expenses. Although receipt of these travel and marketing expense reimbursements are not predicated upon specific sales quotas, the product sponsor reimbursements are typically made by those sponsors for whom sales have been made or it is anticipated sales will be made.

Handling Trade Errors.

Fusco Financial Services has implemented procedures designed to prevent trade errors; however, trade errors in client accounts cannot always be avoided. Consistent with its fiduciary duty, it is our policy to correct trade errors in a manner that is in the best interest of the client. In cases where the client causes the trade error, the client will be responsible for any loss resulting from the correction. Depending on the specific circumstances of the trade error, the client may not be able to receive any gains generated as a result of the error correction. In all situations where the client does not cause the trade error, the client will be made whole and any loss resulting from the trade error will be absorbed by Fusco Financial Services if the error was caused by the firm. If the error is caused by the broker-dealer, the broker-dealer will be responsible for handling the trade error. If an investment gain results from the correcting trade, the gain will remain in the client's account unless the same error involved other client account(s) that should also receive the gains and it is not permissible for all clients to retain the gain. Fusco Financial Services may also confer with a client to determine if the client should forego the gain (e.g., due to tax reasons).

We will never benefit or profit from trade errors.

Block Trading Policy

Transactions implemented by Fusco Financial Services for client accounts are primarily effected independently, unless we decide to purchase or sell the same securities for several clients at approximately the same time. This process is referred to as aggregating orders, batch trading or block trading and is used by our firm when Fusco Financial Services believes such action may prove advantageous to clients. If we aggregate client orders, the allocation of securities among client accounts will be done on a fair and equitable basis. In general, the process of aggregating client orders is done with equity, fixed income or option transaction to try and obtain better execution prices, to negotiate more favorable commission rates or to allocate orders among clients on a more equitable basis in order to avoid differences in prices and transaction fees or other transaction costs that might be obtained when orders are placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among our firm's clients in proportion to the purchase and sale orders placed for each client account on any given day. Since Fusco Financial Services primarily conduct business using Mutual Funds in the very rare instance in which we determine it to be appropriate to aggregate client orders for the purchase or sale of securities, including securities in which Fusco Financial Services may invest, we will do so in accordance with the parameters set forth in the SEC No-Action Letter, *SMC Capital, Inc.* It should be noted, we do not receive any additional compensation or remuneration as a result of aggregation.

Item 13 – Review of Accounts

Account Reviews and Reviewers

Johanna McMichael will periodically review the performance of client investment accounts, whether the investments were executed through the consultant or another entity of which the advisor is apprised by the client, in light of the client's identified needs, objectives and financial plan, unless the client instructs otherwise. Such review will be conducted at least once annually or more frequently depending on the client's particular financial circumstances or at the request of the client.

Fusco Financial Services or its consultant agent makes no representation with respect to legal or tax matters, and it is the client's responsibility to consult with their own legal or tax counsel as required.

Johanna McMichael, CFP, and President of Fusco Financial Services, Inc., is the reviewer of all accounts.

Statements and Reports

You will receive monthly statements from the account custodian or clearing firm, if your account(s) have activity during the month. If the account does not have any monthly activity, an account statement is provided by the account custodian or clearing firm at least quarterly. Such statements will show any activity in the account, as well as period ending position balances. You will also receive a confirmation from the custodian or clearing firm of each purchase and sale transaction that occurs within your managed accounts.

Clients will be provided with quarterly reports on their accounts from Fusco Financial Services. The performance information provided is believed to be accurate but cannot be guaranteed. We cannot guarantee the accuracy of fund values, securities' pricing and other information obtained from third parties.

We encourage you to compare the reports and correspondence received from Fusco Financial Services with the account statements and confirmations received from the account custodian. Inquiries or concerns regarding the account, including performance reports, should be directed to Fusco Financial Services or the account custodian at the phone number listed on the account statement.

Item 14 – Client Referrals and Other Compensation

Fusco Financial Services does not directly or indirectly compensate any person for client referrals.

The only compensation received from advisory services is the fees charged for providing investment advisory services as described in Item 5 of this Disclosure Brochure. Fusco Financial Services receives no other forms of compensation in connection with providing investment advice.

Item 15 – Custody

Custody, as it applies to investment advisors, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment advisor has the ability to access or control client funds or securities, the investment advisor is deemed to have custody and must ensure proper procedures are implemented. According to this definition, Fusco Financial Services does not have custody of client funds or securities.

Item 16 – Investment Discretion

Through its asset management services and upon receiving written authorization from a client, Fusco Financial Services will maintain trading authorization over client accounts. Upon receiving written authorization from the client, Fusco Financial Services may implement trades on a **non-discretionary** basis. This means we will be required to contact you prior to implementing changes in your account. Therefore, you will be contacted and required to accept or reject our investment recommendations including:

- The security being recommended
- The number of shares or units
- Whether to buy or sell

Once the above factors are agreed upon, we will be responsible for making decisions regarding the timing of buying or selling an investment and the price at which the investment is bought or sold. If your accounts are managed on a non-discretionary basis, you need to know that if you are not able to be reached or are slow to respond to our request, it can have an adverse impact on the timing of trade implementations and we may not achieve the optimal trading price.

All clients have the ability to place reasonable restrictions on the types of investments that may be purchased in an account. Clients may also place reasonable limitations on the discretionary power granted to our firm so long as the limitations are specifically set forth or included as an attachment to the client agreement.

Item 17 – Voting Client Securities

Fusco Financial Services and its consultants will not vote proxies on behalf of Clients. All proxy materials will be sent directly to Clients, and Clients are instructed to read through the information provided when making a determination. However, upon Client request, the consultants may provide recommendations or clarifications on specific issues based on their understanding of the issues presented in the proxy materials. The consultants may also undertake additional research on the issue if they deem it necessary. However, Clients are solely responsible for all proxy voting decisions.

Item 18 – Financial Information

This item is not applicable to this brochure. Fusco Financial Services does not require or solicit prepayment of more than \$1200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for our most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, Fusco Financial Services has not been the subject of a bankruptcy petition at any time (*Please refer to Information Required by Part 2B of Form ADV: Brochure Supplement for more information*).

Item 19 Requirements for State-Registered Advisers

Executive Officer and Management Personnel

Johanna M. McMichael, President, Born 1970

Education Background:

Florida Atlantic University, Bachelor's Degree in Marketing, 1992
Certified Financial Planner[™] (CFP[®])*** designation obtained in 1999

Business Background:

Fusco Financial Services, Inc. - President 09/2005 to Present
- Vice President, Secretary and Treasure 02/1991 – 09/2005
- Chief Compliance Officer, 08/2004 to Present
- Investment Advisor Representative, September 1999 to Present
Securities America, Inc. - Registered Representative, 09/1999 to Present

Kenneth M. Fusco, Vice President, Born 1944

Education Background:

Aeronautics Academy, Attended 1963 to 1965.

Chartered Life Underwriter (CLU)* designation obtained in 1975
Chartered Financial Consultant (ChFC)** designation obtained in 1982
Certified Financial Planner[™] (CFP[®])*** designation obtained in 1996

Business Background:

Fusco Financial Services, Inc. – Investment Advisor Representative, 09/2005 to Present

Fusco Financial Services, Inc. - President, 01/1981 to 09/2005

Securities America, Inc. - Registered Representative, 01/1999 to Present

**** The Chartered Financial Consultant (ChFC) designation is issued by The American College. A candidate for designation must have 3 years of full-time business experience within the 5 years before the designation is awarded. Candidates must complete 6 core and 2 elective courses and pass a proctored final exam for each course. Designates must complete 30 hours of continuing education every 2 years.***

***** The Chartered Life Underwriter (CLU) designation is issued by The American College. A candidate for designation must have 3 years of full-time business experience within the 5 years before the designation is awarded. Candidates must complete 5 core and 3 elective courses and pass a proctored exam for each course. Designates must complete 30 hours of continued education every 2 years.***

****** The CERTIFIED FINANCIAL PLANNER™ (CFP®) designation is issued by the CERTIFIED FINANCIAL PLANNER Board of Standards, Inc. It is a voluntary certification recognized by the United States and other countries for its (1) high standard of professional education, (2) stringent code of conduct and standards of practice and (3) ethical requirements governing professional engagements with clients. A candidate for designation must first obtain a Bachelor's Degree from an accredited college or university with courses that included financial planning subject areas (e.g. insurance planning, risk management, employee benefits planning, investment planning, income tax planning, retirement planning and estate planning). Candidates must also have at least 3 years of full-time personal financial planning experience, measured as 2,000 hours per year. CFP® candidates must pass a 2-day comprehensive examination designed to test their ability to correctly diagnose financial planning issues and apply their knowledge to real world circumstances. Candidates must also agree to be bound by the CERTIFIED FINANCIAL PLANNER Board's Standards of Professional Conduct. Anyone earning designation as a CFP® must complete 30 hours of continuing education every two years and renew the agreement to be bound by the Standards of Professional Conduct.***

Other Business Activities

Relationship with Securities America, Inc.

If the client wants to, the client can engage the investment advisor representatives of the firm (but not the firm) in their separate capacities as registered representatives of Securities America, to render securities brokerage services under a commission arrangement.

You are never obligated to use open an account with Securities America and can use any broker/dealer you like. However, if you would like to open an account with one of our advisor representatives, Securities America is required.

Brokerage commissions may be charged by Securities America to effect these securities transactions and, thereafter, a portion of these commissions will be paid by Securities America to such investment advisor representatives as registered representatives of Securities America. Prior to effecting any transactions, the client will be required to enter into a new account agreement with Securities America. The brokerage commissions charged by Securities America may be higher or lower than those charged by other broker/dealers. In addition, the registered representatives may also receive additional ongoing 12b-1 fees for mutual fund purchases from the mutual fund company during the period that the client maintains the mutual fund investment. Please also refer to *Item 5 – Fees and Compensation: Compensation for Sale of Securities or Other Compensation* for more information.

Depending on the type of account that could be used to implement a financial plan or investment strategy, such compensation may include (but is not limited to) advisory program fees; commissions; mark-ups and mark-downs; transaction charges; confirmation charges; small account fees; mutual fund 12b-1 fees; mutual fund sub-transfer agency fees; hedge fund managed futures, and variable annuity investor servicing fees; retirement plan fees; administrative services fees for trust accounts; compensation for directing order flow; and bonuses, awards or other things of value offered by Securities America to the advisor representative.

This compensation to the advisor representative and Securities America may be more or less depending on the product or service the advisor representative recommends. Therefore, the advisor representative may have a financial incentive to recommend that a financial plan be implemented using a certain product or services.

The investment advisor representatives of Fusco Financial may recommend securities or insurance products offered by Securities America (or other insurance firms), and will receive the normal commissions if products are purchased through them; thus a conflict of interest exists between their interests and those of Fusco Financial's clients. Clients are under no obligation to purchase products recommended by investment advisor representatives or to purchase products either through Fusco Financial or Securities America.

Insurance Sales Activities

Some investment advisor representatives are licensed to provide insurance services to clients. Insurance products are provided to clients for personal, estate and business need to minimize clients' exposure to identified risks. Although clients are under no obligation to purchase insurance products recommended by investment advisor representative in their separate capacities and insurance agents, clients often purchase such products when needs arise. For clients of Fusco Financial Services who purchase products causing commissions to be generated these are paid to the investment advisor representatives in their separate capacities as insurance agents. For those investment advisor representatives who are insurance licensed, this activity varies throughout the year.

You are never obligated or required to purchase insurance products through one of our advisor representatives licensed as insurance agents. However, when acting as an insurance agent, our advisor representatives can help you purchase insurance products and will receive separate compensation (i.e. insurance commissions) in addition to investment advisory fees charged by Fusco Financial Services. Clients that choose to purchase insurance products through one of our advisor representatives should be aware they will generally only recommend insurance products of those companies for whom they are sales agents and with which they are familiar with the benefits, exclusions and other terms.

Because our advisor representatives will receive commissions for selling insurance products, there is a conflict of interest in that they may recommend policies to clients that do not require or need insurance. To control for this conflict of interest and to be consistent with our firm's fiduciary duty, our advisor representatives strive to recommend insurance products only to those clients who need new or additional insurance coverage.

No Performance Based Fees

As previously disclosed in Item 6, Fusco Financial does not charge performance based fees.

No Arbitrations

Fusco Financial or any of its associated persons have not been the subject of any client arbitrations or similar legal disputes.

Material Relationship Maintained by this Advisory Business or Management persons with Issuers of Securities

None to report

PRIVACY POLICY

This Privacy Notice is from Fusco Financial Services, Inc., a registered investment adviser firm in the business of providing investment advisory services to customers.

Fusco Financial Services is committed to safeguarding the confidential information of its clients. Fusco Financial Services holds all personal information provided to the firm in the strictest confidence. Fusco Financial Services representatives may also be registered representatives of Securities America, Inc. (SAI), a registered broker/dealer that is not affiliated with the firm. Fusco Financial Services may also have relationships with other non-affiliated investment advisor firms, such as Securities America Advisors, Inc. (SAA), an affiliate of SAI, insurance companies, trust companies, custodians and other financial institution entities. Except as required or permitted by law, Fusco Financial Services does not share confidential information about clients with non-affiliated third parties. In the unlikely event there were to be a change in this fundamental policy that would permit additional disclosures of confidential client information, Fusco Financial Services will provide written notice to clients, and they will be given an opportunity to direct Fusco Financial Services as to whether such disclosure is permissible.

An Important Notice Concerning Customers' Privacy

Customer Information Fusco Financial Services Collects. Fusco Financial Services collects and develops personal information about clients, and some of that information is non-public personal information (Customer Information). The essential purpose for collecting Customer Information is to provide and service the financial products and services clients obtain from the firm. The categories of Customer Information collected by Fusco Financial Services depend upon the scope of the engagement with Fusco Financial Services and are generally described below. As an investment adviser, Fusco Financial Services collects and develops Customer Information in order to provide investment advisory services. Customer Information collected includes:

- Information Fusco Financial Services receives from clients on financial inventories through consultation with Fusco Financial Services representatives. This Customer Information may include personal and household information such as income, spending habits, investment objectives, financial goals, statements of account, and other records concerning clients' financial condition and assets, together with information concerning employee benefits and retirement plan interests, wills, trusts, mortgages and tax returns.
- Information developed as part of financial plans, analyses or investment advisory services.
- Information concerning investment advisory account transactions, such as wrap account transactions.
- Information about clients' financial products and services transactions with Fusco Financial Services.

Data Security. Fusco Financial Services restricts access to Customer Information to those representatives and employees who need the information to perform their job responsibilities within the firm. Fusco Financial Services maintains agreements, as well as physical, electronic and procedural securities measures that comply with federal regulations to safeguard Customer Information.

Use and Disclosure of Customer Information to Provide Customer Service for Client Accounts. To administer, manage and service customer accounts, process transactions and provide related services for client accounts, it is necessary for Fusco Financial Services to provide access to Customer Information within the firm and to non-affiliated companies such as SAI, SAA, other investment advisors, other broker/dealers, trust companies, custodians and insurance companies. Fusco Financial Services may also provide Customer Information outside of the firm as permitted by law, such as to government entities, consumer reporting agencies or other third parties in response to subpoenas.

Former Clients. If clients close an account with the firm, Fusco Financial Services will continue to operate in accordance with the principles stated in the Notice.

Requirements of Federal Law. In November of 1999, Congress enacted the *Gramm-Leach-Bliley Act* (GLBA). The GLBA requires certain financial institutions, including broker/dealers and investment advisors, to protect the privacy of Customer Information. To the extent a financial institution discloses Customer Information to non-affiliated third parties other than as permitted or required by law, customers must be given the opportunity and means to opt out (or prevent) such disclosure. Please note that Fusco Financial Services does not disclose Customer Information to non-affiliated third parties except as permitted or required by law (e.g., disclosures to service a client's account or to respond to subpoenas).

Information Required by Part 2B of Form ADV: Brochure Supplement – Kenneth M. Fusco

Item 1 – Cover Page

Fusco Financial Services, Inc.
2402 NE 8th Ave.
Wilton Manors, FL 33305
954-524-0900

Date of Brochure: January 2012

This brochure supplement provides information about Kenneth Fusco that supplements the information previously provided in this brochure. Please contact Mr. Fusco at (954)524-0900 and/or ken@fuscofinancial.net if you have any questions about the contents of this supplement.

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

Item 2 – Educational Background and Business Experience

Kenneth M. Fusco, Born 1944

Education Background:

Aeronautics Academy, Attended 1963 to 1965.

Chartered Life Underwriter (CLU)* designation obtained in 1975
Chartered Financial Consultant (ChFC)** designation obtained in 1982
Certified Financial Planner™ (CFP®)*** designation obtained in 1996

Business Background:

Fusco Financial Services, Inc. – Investment Advisor Representative, 09/2005 to Present
Fusco Financial Services, Inc. - President, 01/1981 to 09/2005
Securities America, Inc. - Registered Representative, 01/1999 to Present

Item 3 – Disciplinary Information

Mr. Fusco has no legal or disciplinary events to report.

Item 4 – Other Business Activities

Mr. Fusco is a registered representative with Securities America and an independent insurance agent. Please refer to the previous disclosures at *Item 10 – Other Financial Industry Activities and Affiliations* for details.

Item 5 – Additional Compensation

In addition to receiving a regular salary Mr. Fusco can earn additional compensation in connection with providing investment advice. Please refer to the previous disclosures at *Item 5 – Fees and Compensation*, *Item 10 – Other Financial Industry Activities and Affiliations*, and *Item 14 – Client Referrals and Other Compensation* for details.

Item 6 – Supervision

Johanna M. McMichael is the President and Chief Compliance Officer of Fusco Financial Services, Inc. and ultimately responsible for supervising activities and services provided by the firm. As a part of Ms. McMichael's supervisory responsibilities she will review all transactions, review all correspondence prior to mailing, review all new account paperwork, oversee all marketing/advertising matters conduct annual compliance meetings, review client performance reports and client position reports, review outside business activities and gift and gratuity reports, and review any complaints that may be received.

Johanna M. McMichael can be contacted at (954)524-0900.

Item 7 Requirements for State-Registered Advisors

Kenneth Fusco has not been the subject of any client arbitrations, similar legal disputes or any bankruptcy filings.

** The Chartered Financial Consultant (ChFC) designation is issued by The American College. A candidate for designation must have 3 years of full-time business experience within the 5 years before the designation is awarded. Candidates must complete 6 core and 2 elective courses and pass a proctored final exam for each course. Designates must complete 30 hours of continuing education every 2 years.*

*** The Chartered Life Underwriter (CLU) designation is issued by The American College. A candidate for designation must have 3 years of full-time business experience within the 5 years before the designation is awarded. Candidates must complete 5 core and 3 elective courses and pass a proctored exam for each course. Designates must complete 30 hours of continued education every 2 years.*

**** The CERTIFIED FINANCIAL PLANNER™ (CFP®) designation is issued by the CERTIFIED FINANCIAL PLANNER Board of Standards, Inc. It is a voluntary certification recognized by the United States and other countries for its (1) high standard of professional education, (2) stringent code of conduct and standards of practice and (3) ethical requirements governing professional engagements with clients. A candidate for designation must first obtain a Bachelor's Degree from an accredited college or university with courses that included financial planning subject areas (e.g. insurance planning, risk management, employee benefits planning, investment planning, income tax planning, retirement planning and estate planning). Candidates must also have at least 3 years of full-time personal financial planning experience, measured as 2,000 hours per year. CFP® candidates must pass a 2-day comprehensive examination designed to test their ability to correctly diagnose financial planning issues and apply their knowledge to real world circumstances. Candidates must also agree to be bound by the CERTIFIED FINANCIAL PLANNER Board's Standards of Professional Conduct. Anyone earning designation as a CFP® must complete 30 hours of continuing education every two years and renew the agreement to be bound by the Standards of Professional Conduct.*

Information Required by Part 2B of Form ADV: Brochure Supplement – Johanna M. McMichael

Fusco Financial Services, Inc.
2402 NE 8th Ave.
Wilton Manors, FL 33305
(954)524-0900

Date of Brochure: January 2012

Item 1 – Cover Page

This brochure supplement provides information about Johanna M. McMichael that supplements the information previously provided in this brochure. Please contact Johanna McMichael at (954)524-0900 and/or Johanna@fuscofinancial.net if you have any questions about the contents of this supplement.

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

Item 2 – Educational Background and Business Experience

Johanna M. McMichael, Born 1970

Education Background:

Florida Atlantic University, Bachelor's Degree in Marketing, 1992
Certified Financial Planner[™] (CFP[®])* designation obtained in 1999

Business Background:

Fusco Financial Services, Inc. - President 09/2005 to Present
- Vice President, Secretary and Treasurer 02/1991 – 09/2005
- Chief Compliance Officer, 08/2004 to Present
- Investment Advisor Representative, September 1999 to Present
Securities America, Inc. - Registered Representative, 09/1999 to Present

Item 3 – Disciplinary Information

Ms. McMichael has no legal or disciplinary events to report.

Item 4 – Other Business Activities

Ms. McMichael is a registered representative with Securities America and an independent insurance agent. Please refer to the previous disclosures at *Item 10 – Other Financial Industry Activities and Affiliations* for details.

Item 5 – Additional Compensation

In addition to receiving a regular salary and bonus, Ms. McMichael can earn additional compensation in connection with providing investment advice. Please refer to the previous disclosures at *Item 5 – Fees and Compensation*, *Item 10 – Other Financial Industry Activities and Affiliations*, and *Item 14 – Client Referrals and Other Compensation* for details.

Item 6 – Supervision

Johanna M. McMichael is the President and Chief Compliance Officer of Fusco Financial Services, Inc. and ultimately responsible for supervising activities and services provided by the firm. As a part of Ms. McMichael's supervisory responsibilities she will review all transactions, review all correspondence prior to mailing, review all new account paperwork, oversee all marketing/advertising matters conduct annual compliance meetings, review client performance reports and client position reports, review outside business activities and gift and gratuity reports, and review any complaints that may be received.

Johanna M. McMichael can be contacted at (954)524-0900.

Item 7 Requirements for State-Registered Advisors

Johanna McMichael has not been the subject of any client arbitrations, similar legal disputes or any bankruptcy filings.

** The CERTIFIED FINANCIAL PLANNER™ (CFP®) designation is issued by the CERTIFIED FINANCIAL PLANNER Board of Standards, Inc. It is a voluntary certification recognized by the United States and other countries for its (1) high standard of professional education, (2) stringent code of conduct and standards of practice and (3) ethical requirements governing professional engagements with clients. A candidate for designation must first obtain a Bachelor's Degree from an accredited college or university with courses that included financial planning subject areas (e.g. insurance planning, risk management, employee benefits planning, investment planning, income tax planning, retirement planning and estate planning). Candidates must also have at least 3 years of full-time personal financial planning experience, measured as 2,000 hours per year. CFP® candidates must pass a 2-day comprehensive examination designed to test their ability to correctly diagnose financial planning issues and apply their knowledge to real world circumstances. Candidates must also agree to be bound by the CERTIFIED FINANCIAL PLANNER Board's Standards of Professional Conduct. Anyone earning designation as a CFP® must complete 30 hours of continuing education every two years and renew the agreement to be bound by the Standards of Professional Conduct.*