

Facts To Consider

(Revised January 1, 2012)

This brochure provides information about the qualifications and business practices of SKA Financial Services, Inc. If you have any questions about the contents of this brochure, please contact us at 440-734-3200. 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 SKA Financial Services, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov.

SKA Financial Services, Inc.

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Advisory Business

SKA Financial Services, Inc. (SKA) has been providing financial advisory services to individuals and closely-held businesses since 1995. In addition to actively managing investment portfolios, SKA also provides comprehensive financial planning services that include investment recommendations; insurance needs analysis; and retirement, tax, and estate planning.

SKA specifically tailors each investment profile to the needs of the individual client. SKA believes that since each client's circumstances are unique, a specific account profile should be established for each client. Therefore, SKA will work with the client to establish goals and objectives as well as determine any restrictions on the types of specific securities to be used and the level of trading activity.

SKA manages approximately \$64.1 million in discretionary investment accounts and \$1.2 million in non-discretionary investment accounts as of December 31, 2011.

SKA requires all employed investment advisers to have at least a college degree. In addition, all advisers must enroll in specialized financial training. An example would be an education program approved by the CFP Board of Standards, the governing body for Certified Financial Planners (CFP®). All advisers will also be required to pursue other ongoing financial continuing education.

The following is a summary of the background and education of our investment professionals:

Russel B. Walcher graduated Summa Cum Laude with a Bachelor of Science degree in Business Administration from The Ohio State University in 1990 with a dual major of Finance and Economics. He has completed the six College for Financial Planning education courses and has been awarded the Certified Financial Planner designation.

Russel B. Walcher is President and the principal owner of SKA. He is also a principal in the accounting firm of Strang, Klubnik & Associates, Inc. Previously, he was President of Cornerstone Planning Associates. Prior to that, he worked as Portfolio Acquisitions Manager for Kessler Financial Services, which entailed performing investment banking and financial analysis tasks. In addition, he worked for Roulston & Company, a regional securities firm, as a research associate. He has also received the Certified Management Accountant and Certified Public Accountant designations and is licensed as an insurance agent in Ohio. Russel is currently a licensed general securities principal and registered representative with SKA Securities, Inc.

Gary D. Klubnik graduated with a Bachelor of Science degree majoring in Business Management from Ashland University. He has completed the six College for Financial Planning education courses and has been awarded the Certified Financial Planner designation.

Gary D. Klubnik is an officer of SKA. He is also a principal in the accounting firm of Strang, Klubnik & Associates, Inc. Previously, he worked as Treasurer for Tenna Corporation, as Controller of Curtis Noll Corporation, and as an auditor for Ernst & Young, an international accounting firm. He is licensed as a Certified Public Accountant in the state of Ohio and has earned the designation of Certified Fund Specialist. He is licensed with the state of Ohio as an insurance agent, and he is a financial and operations principal and registered representative with SKA Securities, Inc.

John H. Bair graduated with a Bachelor of Science Degree in Geology from Denison University in 1976 and received his Masters of Science Degree in Geology from the Louisiana State University in 1980.

John H. Bair spent 10 years as a petroleum geologist in Houston, Texas, evaluating exploratory and development projects both onshore and offshore in the Gulf of Mexico area. He became an investment professional in 1989 and has held positions as a principal and branch office manager for several FINRA member firms. John is currently a licensed general securities and options principal and registered representative with SKA Securities, Inc. and a Portfolio Manager for SKA.

He has earned the designation of Certified Fund Specialist (CFS) and is an Affiliate Member of the CFA Society of Cleveland and the CFA Institute. Additionally he is a member of the Houston Geologic Society and the American Association of Petroleum Geologists.

Fees and Compensation

SKA is compensated for investment advisory services through a variety of fee structures including a percentage of assets under management, hourly charges, or fixed fees. The fee structure is mutually determined by SKA and the client based upon the level of service and investment vehicles that are deemed to be appropriate for the account. Ongoing portfolio management is subject to a portfolio management agreement in which accounts are managed on a discretionary or non-discretionary basis as desired by the client. The standard fee schedule for a full-service discretionary account is as follows:

Balance in Account	Quarterly Fees
\$500 - \$50,000	0.40% of total account balance
\$50,000 - \$250,000	0.30% of total account balance
\$250,000 - \$1,000,000	0.25% of total account balance
\$1,000,000 +	0.20% of total account balance

The Balance in Account is the sum of all investment accounts for the client under management by Adviser.

For non-discretionary accounts, fees are determined individually based on the service level requested by the client. All fees schedules are negotiable due to the customizable nature of each client relationship. Fees for ongoing portfolio management are billed quarterly directly from the client account or may be invoiced to the client upon specific request.

SKA may utilize mutual funds or other similar investment products to invest all or part of the assets in a client account as agreed to by the client to provide the level of diversification desired. These mutual funds or other similar investment products are subject to indirect management fees in addition to the direct management fees discussed above that reduce the net asset value of the funds' shares. The indirect management fees are to compensate the fund companies for their investment research and administrative activities. SKA does not receive any compensation from these investment companies.

In addition, the custodian selected may charge additional fees such as annual or custodial fees. If exchange-traded investments are determined to be eligible investments under the client account profile, SKA will discuss with the client the transaction costs or commissions that will be associated with the purchase or sale of these securities. All custodian and brokerage charges are determined by the custodian, not SKA, and SKA does not receive any portion of these charges.

Compensation to SKA for ongoing portfolio management is payable with the first installment due at the execution of the portfolio management agreement; subsequent payments are due on a quarterly basis, payable in advance. The client may terminate the agreement at any time with written notice and receive a prorated refund of fees paid.

In addition to ongoing portfolio management, SKA also performs investment analysis services on a project basis. These services include analyzing current investments, identifying investments or money management services, or calculating performance results. The fee for these services is based upon the nature of the engagement and the time required to complete it. Hourly rates range from \$50 to \$150 with discounted rates for extended engagements. All clients will receive an itemized estimate of the cost prior to signing an agreement. The fee for these services is payable with a retainer of 25% of the estimated cost, with the remainder due upon completion of the engagement unless structured otherwise as agreed upon by the parties.

SKA also provides comprehensive financial planning services that include investment recommendations; insurance needs analysis; and retirement, tax, and estate planning. The fee for comprehensive financial plans varies depending on the facts to be considered for each client. Comprehensive planning is comprised of various modules, and the fee assessed will be based upon the modules included and the time required. These fees range from \$250 to \$2,500. Compensation is payable with a retainer of 50% of the estimated cost and the remainder due upon completion unless structured otherwise as agreed by the parties.

Performance-Based Fees

SKA does not charge performance-based fees or enter into agreements that contain performance-based fees.

Types of Clients

SKA generally provides investment advice to individuals, corporations and other business entities, trusts, estates, charitable organizations, and pension and profit-sharing plans.

Methods of Analysis, Investment Strategies and Risk of Loss

SKA's analysis methods are fundamental and technical. Fundamental analysis is used to identify investment vehicles that meet our acceptable risk profile. Technical analysis is utilized to develop purchase and sale price targets. The main sources of information are financial media, inspections of corporate activities, research material prepared by others, corporate rating services, annual reports, prospectuses, filings with the Securities and Exchange Commission, and company press releases.

Strategies used to implement any investment advice given to clients include long-term purchases (securities held at least a year), short-term purchases (securities sold within a year), short sales, margin transactions, and option writing, including covered options, uncovered options, or spreading strategies. Strategies that include short-term activity or options will usually incur a higher level of transaction-related fees that may reduce the effectiveness of these strategies.

All investment strategies involve risk of loss that a client must be prepared to accept. SKA believes that educating clients regarding the potential loss of principal and potential volatility of returns is a vital component of our ongoing client relationships. The material risks involve not only a loss of principal invested, but also the risk of not achieving desired results due to low or negative rates of return. While SKA attempts to structure portfolios to minimize these risks, performance is never guaranteed.

Disciplinary Information

SKA has not been involved with any legal nor disciplinary events including civil or criminal actions, administrative proceedings with regulatory agencies or authority, or proceedings with self-regulatory organizations.

Other Financial Industry Activities and Affiliations

The officers and employees of SKA are licensed to sell insurance and investment products through SKA Securities, Inc. as detailed in the individual profiles provided in Advisory Business section. In addition, the officers and employees are actively involved with Strang, Klubnik & Associates, Inc., an accounting firm that specializes in the needs of individuals and small business owners. The time commitment for these activities can be significant and will vary throughout the year. Clients may develop independent relationships with these organizations, and in such a case, the officer or employee will not be acting on behalf of SKA.

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

SKA's code of ethics sets standards of conduct expected of advisory personnel, restricts access to material nonpublic information about client transactions and addresses conflicts that arise from personal trading by advisory personnel. A copy of SKA code of ethics will be furnished to the client upon request.

The officers and employees of SKA and SKA for its own account may buy, sell, or own the securities that they recommend to clients. Purchases made by or on behalf of clients in securities owned by SKA, its officers or its employees could enhance the value of these holdings. However, the investments made by the officers and employees are insignificant in comparison to the total market value of the securities in question. No officer nor employee of SKA will trade ahead of or based on the knowledge of trades by clients. When placing trades in securities with common ownership, it is SKA's practice to attempt to fill orders simultaneously using limit orders if market conditions allow. In cases where entire trades cannot be completed, client orders will always be filled first.

Brokerage Practices

SKA will suggest brokerage firms to clients to handle their accounts and will investigate these firms to determine which offers the highest level of service and support for competitive commission charges. SKA will not receive any compensation from any brokerage firm, and the client will be free to choose another brokerage firm. SKA's clients may receive discounts in fees for services and commissions charged by brokerage firms based on volume discounts. In addition brokerage firms may provide additional services such as investment information and administrative support at no or reduced cost based upon the volume of client relationships.

When placing trades in exchange-traded securities, SKA will attempt to aggregate orders when possible. The aggregation of orders allows for equitable pricing between clients as well as the potential of reduced trading costs due to higher volume.

Review of Accounts

All client accounts will be reviewed at least monthly to ensure that the account is in compliance with the portfolio management agreement. All accounts will be reviewed by the adviser assigned to the account with a quarterly review performed by an officer. Additional reviews will be triggered by significant events such as non-systematic deposits or withdrawals and economic or market developments. Clients will receive written regular reports on their accounts as agreed to in the portfolio management agreement. The reports will include current balance information, transaction detail, and performance measures. The reports will be generated at least annually but not more frequently than quarterly.

Client Referrals and Other Compensation

SKA has no arrangements, oral or in writing, where it is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients. SKA has no arrangements to directly or indirectly compensate a person for client referrals.

Custody

SKA does not maintain custody of client assets. All accounts are held by brokerage firms as discussed on page 7 in the section "Brokerage Practices". These brokerage firms will provide account statements on a periodic basis directly to the client. Any performance reports generated by SKA to supplement these statements should be compared to the statements provided by the brokerage firm.

Investment Discretion

SKA may enter into a portfolio management agreement with a client that grants discretionary authority to SKA to determine the nature, amount, and timing of securities to be bought or sold. In each case the portfolio management agreement will detail the eligible securities, nature of trading, and investment objectives of the account. All clients will have the right to revoke discretionary authority at any time. The brokerage firm selected for the account will be notified of this authority through their required account paperwork.

Proxy Voting

SKA's general policy is to not exercise voting authority over client proxies. In the instance that an account is established where SKA is granted voting authority, SKA's policy will be to abstain on all corporate voting matters unless directed to vote by the client in a particular solicitation. This direction needs to be communicated to SKA in writing or through a direct conversation with the client's adviser. If there is a proxy item that SKA feels is of significance to the client's position in that security, SKA will contact the client to discuss their options.

Clients will receive their proxies or other solicitations directly from their custodian or a transfer agent and may contact SKA by phone or in person with questions about a particular solicitation.

Financial Information

SKA is unaware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. SKA has not been the subject of a bankruptcy petition at any time.

Requirements for State-Registered Advisors

SKA has no information to report under this item that is not discussed in previous sections.