

Part 2B of Form ADV: *Brochure Supplement*



Donald Joseph Potter Jr.
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03/31/2012

This brochure supplement provides information about Donald Joseph Potter Jr. that supplements the SIGMA Financial Services, Inc. brochure. You should have received a copy of that brochure. Please contact Donald J. Potter, Jr. 540-989-2020 if you did not receive SIGMA Financial Services, Inc.'s brochure or if you have any questions about the contents of this supplement.

Additional information about Donald Joseph Potter Jr. is available on the SEC's website at www.adviserinfo.sec.gov

Item 2 Educational Background and Business Experience

Full Legal Name: Donald Joseph Potter Jr. **Born:** 1949

Education

- Roanoke College; BA , Economics; 1971

Business Experience

- Benefit Strategies, Inc.; President; from 1979 to Present
- SIGMA Financial Services, Inc.; President; from 1997 to Present

Item 3 Disciplinary Information

Donald Joseph Potter Jr. has no reportable disciplinary history.

Item 4 Other Business Activities

A. Investment-related Activities

1. Donald Joseph Potter, Jr. is also engaged in the following investment-related activities:

- Insurance company or agency
- Pension consultant

Donald Joseph Potter, Jr. is the sole shareholder and president of SIGMA Financial Services, Inc. and Benefit Strategies, Inc.

Benefit Strategies, Inc. is a retirement plan administration and pension consulting firm. The corporation also maintains an insurance license, as does Donald Joseph Potter, Jr., to provide certain clients with group annuity products as funding vehicles for their retirement programs.

Donald Joseph Potter, Jr. is paid a salary from Benefit Strategies and devotes substantial time each day managing and overseeing the company's operations and consulting with Benefit Strategies' clients. In addition, Donald Joseph Potter, Jr. is paid bonus compensation based on the overall profitability of Benefit Strategies, Inc. There is no incentive compensation, either in the form of direct commissions or indirect bonuses for the sale or placement of insurance related products through Benefit Strategies, Inc.

Clients should be aware that the receipt of additional compensation by Donald J. Potter, Jr. from Benefit Strategies creates a conflict of interest that may impair the objectivity of Donald J. Potter, Jr. when making advisory recommendations. SIGMA Financial Services, Inc. endeavors to put the interests of its clients first as part of its

fiduciary duty as a registered investment advisor by taking the following steps to address this conflict:

- SIGMA Financial Services, Inc. discloses to clients the existence of all material conflicts of interest, including the potential for the firm and its employees to earn compensation from advisory clients in addition to the firm's advisory fees;
- SIGMA Financial Services, Inc. discloses to clients that they are not obligated to purchase recommended products or services from its employees or affiliated companies;
- SIGMA Financial Services, Inc. collects, maintains and documents accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
- SIGMA Financial Services, Inc. conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances;
- SIGMA Financial Services, Inc. requires that all employees seek prior management approval of any outside employment activity so that it may ensure that any conflicts of interest in such activities are properly addressed;
- SIGMA Financial Services, Inc. periodically monitors these outside employment activities to verify that any conflicts of interest continue to be properly addressed; and
- SIGMA Financial Services, Inc. educates its employees and access persons regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for investment advice provided to clients.

SIGMA Financial Services, Inc. has also adopted a Code of Ethics which sets forth high ethical standards of business conduct that it requires of its employees, including compliance with applicable federal securities laws.

Item 5 Additional Compensation

Donald Joseph Potter, Jr. does not receive any economic benefit from a non-advisory client for the provision of advisory services.

Item 6 Supervision

Donald Joseph Potter, Jr., as President and Chief Compliance Officer, and as the only shareholder and director, has no in-house supervisory authority to report to. However, SIGMA Financial Services, Inc.'s Policies and Procedures and its Code of Ethics do address the conduct and responsibilities of all employees and access persons of the firm.