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AFFILIATED FINANCIAL ADVISORS, INC.

FORM ADV – PART 2A INFORMATION

December 31, 2011

Affiliated Financial Advisors, Inc.
2300 North Mayfair Road, Suite 640
Milwaukee, WI 53226
Phone (414) 476-4999 Fax (414) 476-4889

This brochure provides information about the qualifications and business practices of Affiliated Financial Advisors, Inc. (“AFA”). If you have any questions about the contents of this brochure, please contact us at (414) 476-4999. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about AFA(CRD No. 108154), including a copy of its Form ADV Part 1, is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 - Material Changes To This Brochure Since Its Last Annual Update

Future material changes to this brochure will be noted in this section and provided to clients promptly.

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Item 4 - Advisory Business

Affiliated Financial Advisors, Inc. ("AFA") is an investment adviser registered with the U.S. Securities and Exchange Commission ("SEC"). AFA provides non-discretionary investment supervisory services to a broad range of clients. It does not offer a "wrap service" program where advisory services and transactions are provided for one asset-based fee. AFA became registered as an investment adviser in 1994. AFA is wholly-owned by George M. Schmidley. AFA is not under common control with any other firm. AFA also does not control any other firm or engage in any other business activity. AFA's advisory services are described in detail below.

Non-discretionary Investment Supervisory Services

Investment Supervisory Services begin with AFA analyzing the investments in a client's current portfolio and obtaining information from the client pertaining to the client's financial situation, objectives, goals and investment restrictions. Services begin by a client identifying the client's investment objectives. The firm then makes recommendations with respect to investments in the client's account consistent with the client's objectives and investment restrictions. Recommendations relate to investment of cash equivalents, bonds, shares of common or preferred stock, mutual funds, or other securities. Once a portfolio is established, an AFA Representative monitors the performance of the account.

Client's may place reasonable investment restrictions on their account, and may contact their account manager at any time. All advice is based on information provided by the client. It is the client's responsibility to be certain that AFA has current and accurate information.

AFA will provide advice and take action in the performance of its duties to a client which may differ from advice given, or the timing and nature of the action taken, with respect to other client accounts.

AFA does not assure or guarantee the results of any of its recommendations; thus, losses can occur from following AFA's advice pertaining to any investment or investment approach, including using conservative investment strategies.

As of December 31, 2011, AFA has assets under non-discretionary management of \$101,472,927 and none under discretionary management.

Item 5 - Fees and Compensation

AFA's standard fee for Investment Supervisory Services is an annual fee, payable quarterly in arrears, of 3/4 of 1% of the value of assets maintained in the account subject to AFA's supervision. For large accounts, the fee is negotiable within a range of 1/2 of 1% to 1% annually, depending upon the nature and complexity of the client's portfolio and anticipated account additions. The values of related accounts may, at AFA's discretion, be combined for fee calculation purposes.

A client who enters into an advisory agreement with AFA may terminate the agreement immediately upon written notice. If terminated, the client is obliged to pay fees earned to the date of termination on a prorated basis. The fees may be applied and prorated for \$20,000 or more of assets added to the account during any billing period. Fees may be changed upon advanced written notice to clients.

Prospective clients should be aware that, in addition to AFA's management fee, each mutual fund in which a client's assets may be invested also pays its own advisory fees and other expenses that already have been deducted from the fund's reported performance and, depending on the fund, a client may be able to invest directly in the shares issued by a mutual fund with or without incurring any sales or

advisory management fees. In addition, there are tax effects pertaining to fund share redemptions made by AFA on behalf of clients. Redemptions are taxable events which may accelerate the recognition of capital gains, and frequent redemptions may result in short term, rather than long term, capital gains.

Other Compensation

AFA Representatives are also licensed to offer insurance products. AFA Representatives will receive customary commissions for the sale of such products should a client decide to make purchases through an AFA Representative. Clients are free to purchase such products other than through AFA Representatives. This compensation creates a conflict of interest. All prospective and existing clients are hereby advised that this conflict exists. Advisory fees are not reduced by the amount of sales compensation a Representative receives, but Representatives may consider commissions as a factor when determining asset-based fees.

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

AFA does not charge any performance-based fees. All fees are disclosed in Items 5 and 6 above.

Item 7 - Types of Clients/Minimum Account Size

AFA makes advisory services available to a wide variety of clients including, but not limited to, individuals, banks or thrift institutions, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities.

AFA does not require a minimum account size, or minimum fee. The firm does, however, have the right to reject or terminate any account for any reason.

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

AFA's security analysis methods include, but are not limited to, fundamental analysis (evaluating securities based upon its historical and projected financial performance); technical analysis (examining technical moves in the price of an issue based upon peer securities or comparisons to an investment sector or index) and cyclical analysis (determining the desirability of an issue based upon the status of an issue within the price cycle the security or similar securities have followed historically).

AFA's main sources of information include, but are not limited to, financial newspapers and magazines, research materials prepared by others, corporate rating services, annual reports, prospectuses and public filings.

AFA does not guarantee the results of the advice given. Thus, significant losses can occur by investing in any security, or by following any strategy, including mutual funds used in conservative investment strategies recommended or applied by AFA.

Item 9 - Disciplinary Information

AFA does not have any disciplinary information to report regarding itself or any of its advisers or other related persons.

Item 10 - Other Financial Industry Activities and Affiliations

AFA recommends that clients establish an account with Charles Schwab & Co., Inc. ("Schwab"). Schwab provides AFA with on-line computer access to account information, research and pricing services. Notwithstanding such request, a client will retain its ability to request at any time that transactions be effected through another broker-dealer.

Mr. Schmidley, AFA's President is also licensed as an independent insurance agent for the following companies:

1. Genworth Life & Annuity Company
2. Prudential Life Insurance Co.
3. ING Life & Annuity Co.
4. North American Life & Annuity Co.

Mr. Schmidley from time to time offers and sells, for commissions, insurance products of these and other insurance companies.

Mr. Schmidley has common ownership interest with a client in Alaskan Real Estate Investments, LLC, an investment property. Due to this common ownership interest, when providing investment advice to clients he may have an incentive to favor the client with common ownership over others. In all cases, however, it is AFA and Mr. Schmidley's policy as a fiduciary to treat all clients equally.

Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

AFA and Mr. Schmidley may, from time to time, buy or sell securities for the AFA's employee benefit plan or for his personal account which AFA also recommends to advisory clients. At all times, recommendations to advisory clients will be based upon the client's investment objectives and restrictions and, to the extent that securities transactions similar to those recommended to a client are contemplated for firm or Representative accounts, client transactions will be given priority.

AFA anticipates that any securities which it recommends to its clients and which it may buy and sell for its own account, or which its Representatives purchase, will be limited to widely held publicly-traded securities, such as mutual funds, exchange-traded funds and OTC securities, for which public information is readily available. AFA does not anticipate recommending client transactions in privately-held securities. AFA will delay placing orders for the purchase or sale of securities for its own accounts which are also recommended to clients until AFA reasonably believes all client transactions have been effected. AFA has developed a Code of Ethics which requires, among other reports, reports of expected transactions and annual position reports. Designed to prevent conflicts of interest, the Code also requires those having access to confidential information to provide a list of all personal transactions during a quarter. A complete copy of the Code is available upon request.

Item 12 - Brokerage Practices

AFA recommends that advisory clients establish an account with Charles Schwab & Co., Inc. ("Schwab"), a broker-dealer member SIPC, in light of that firm's discounted commission schedules and because Schwab provides AFA with on-line computer access to account information, research and pricing services. Notwithstanding such recommendation, each client retains the ability to request that transactions be effected through another broker-dealer.

When providing its management services, AFA will in most cases place its securities transaction orders through Schwab. Schwab carries client accounts on their records, processes transactions ordered by the firm, provides computer access to AFA for customer account positions and provides quotes and data needed by AFA for its reports to clients. These services are provided to AFA at minimal or no cost. Although a client is not obligated to utilize the services of Schwab, AFA believes the use of the firm is a convenient means of obtaining efficient transaction executions, account reference and reporting services for account positions. However, the receipt of such services also creates an inducement and conflict of interest for AFA since referring clients to any other firm may result in higher reporting and overhead costs to AFA.

AFA does not process transactions through Schwab in return for Schwab referring new clients to AFA.

Item 13 - Review of Accounts and Reports

Client accounts are reviewed internally no less frequently than monthly for purposes of monitoring account performance and evaluating investment recommendations. Frequency of review is based upon assets held in the account, stated client investment objectives, security and market movements and other factors.

Client account performance is reviewed formally with each client no less frequently than annually. Clients may request formal reviews more frequently. Clients are provided with written portfolio summaries in connection with each formal review.

Item 14 - Client Referrals and Other Compensation

AFA does not currently have any client referral relationships. Thus, it does not pay any fee to a third party for making client referrals to it.

Item 15 - Custody

AFA does not take custody of client funds or securities. These safekeeping services are typically provided to managed accounts by the brokerage firm processing the securities transactions ordered by AFA.

To the extent a client receives any account or other investment ownership statement from AFA, AFA recommends the client carefully compare the information in the report to the information in the custodian's statements.

Item 16 - Investment Discretion

AFA does not use discretion when providing advisory services. Client approval is needed prior to any transaction in the client's account.

Item 17 - Voting Proxies on Client Securities

The following information briefly summarizes AFA's Policy and Procedures regarding how AFA votes proxies when providing advisory services to its clients.

Guiding Principles. AFA's Policy and Procedures relating to voting proxies are designed to ensure that proxies are voted in the best interests of the clients. The Policies and Procedures do not apply to those situations where the client has retained voting discretion. In those situations, AFA will cooperate with the

client to ensure proxies are voted as directed by the client. In addition, AFA will abide by specific voting guidelines on certain policy issues as requested by particular clients on a case-by-case basis.

Primary Objective. In general, proxies will be voted in a manner designed to maximize the value of client investments. In evaluating a particular proxy proposal, AFA will take into consideration, among other things, the period of time over which the voting shares of the company are expected to be held, the size of the position, the costs involved in the proxy proposal and the existing governance documents of the affected company, as well as its management and operations. Proxy proposals that change the existing status of a company will be reviewed to evaluate the desirability of the change, and to determine the benefits to the company and its shareholders, but AFA's primary objective is always to protect and enhance the economic interests of its clients.

Generally, it is AFA's policy to vote in accordance with management's recommendations on most issues since the capability of management is one of the criteria used by AFA in selecting stocks.

Exceptions. When AFA believes management is acting on its own behalf, instead of on behalf of the well-being of the company and its shareholders, or when AFA believes that management is acting in a manner that is adverse to the rights of the company's shareholders, AFA will take steps to represent the interests of its clients and, as a result, may elect to vote against management's recommendations.

In situations where AFA is extremely displeased with management's performance, it may withhold votes or vote against management's slate of directors and other management proposals as a means of communicating its dissatisfaction. This occasion most often develops when AFA believes that management has displayed a consistent inability or lack of interest in moving the company toward achieving its potential and that a message needs to be sent that the company's shareholders are not satisfied with the status quo.

Other Factors AFA Considers. AFA recognizes that the activity or inactivity of a company with respect to matters of social, political or environmental concern may have an effect upon the economic success of the company and the value of its securities. However, AFA does not consider it appropriate, or in the interests of its clients, to impose its own moral standards on others. Therefore, it normally supports management's position on matters of social, political or environmental concern, except where it believes that a different position would be in the economic interests of company shareholders.

Conflicts. In evaluating a proxy proposal, the Chief Compliance Officer is ultimately responsible for considering whether there are any circumstances that may give rise to a conflict of interest in connection with voting client proxies either because of a business relationship between AFA and the company or otherwise.

Voting Procedures. All proxy proposals are voted on an individual basis. In general, when a conflict exists, the Chief Compliance Officer determines whether the proxy may be voted by AFA or whether it should be referred to the client (or another fiduciary of the client) for voting purposes. Alternatively, AFA may consult directly with a client to obtain the client's consent before voting the proxies. AFA will not refrain from voting proxies just because a conflict exists because AFA has a fiduciary duty to take action on all proxies.

How To Obtain More Information. For additional information regarding AFA's proxy voting policies and procedures, clients should contact AFA by writing to Affiliated Financial Advisers, Inc., 2300 North Mayfair Road, Suite 640, Milwaukee, Wisconsin 53226, or calling (414) 476-4999.

Item 18 - Financial Information

AFA does not receive fees of more than \$1,200, six months or more in advance, hence no financial statement for AFA is attached. AFA does not have any financial condition that is reasonably likely to impair its ability to meet its contracted commitment to any client.

NOTICE REGARDING TREATMENT OF CONFIDENTIAL INFORMATION

Privacy Notice to Our Clients.

Affiliated Financial Advisors, Inc. (“AFA”) strongly believes in protecting the confidentiality and security of information we collect about you. This notice describes our privacy policy and describes how we treat the information we receive about you.

Why We Collect And How We Use Information.

When we evaluate your request for our services, provide investment advice to you and process transactions for your account, you typically provide us with certain personal information necessary to provide advice and process transactions. We may also use that information to offer you other services we provide which may meet your investment needs.

What Information We Collect.

The personal information we collect may include:

- Name and address;
- Social Security or taxpayer identification number;
- Assets;
- Income;
- Account balance and positions;
- Investment activity;
- Accounts at other institutions.

How We Protect Information.

We do not sell your personal information to anyone.

We treat information about current and former clients and their accounts in a confidential manner. Our employees may access information and provide it to third parties only when completing a transaction at your request or providing our other services to you.

At your request, we may disclose information to attorneys, accountants, lawyers, securities professionals and others to assist us, or them, in providing services to you. We may also share information with companies that perform services on our behalf, such as the companies that we hire to perform marketing or administrative services. Companies we may hire to provide support services are not allowed to use your personal information for their own purposes. We may make additional disclosures as permitted by law.

We also maintain physical, electronic, and procedural safeguards to protect information. Employees and our professional service representatives are required to comply with our established information confidentiality provisions.

Access to and Correction of Information.

Generally, upon your written request, we will make available information for your review. Information collected in connection with, or in anticipation of, any claim or legal proceeding will not be made available.

If your personal information with us becomes inaccurate, or if you need to make a change to that information, please contact us at the number shown below so we can update our records.

Further Information.

For additional information regarding our privacy policy, please contact us by writing to Affiliated Financial Advisors, Inc., 2300 N. Mayfair Road, Suite 640, Milwaukee, Wisconsin 53226, or calling (414) 476-4999.

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SCHEDULE 2B - BROCHURE SUPPLEMENT

George M. Schmidley, President and Financial Advisor
December 31, 2011

AFFILIATED FINANCIAL ADVISORS, INC.
2300 North Mayfair Road, Suite 640
Milwaukee, WI 53226
Phone (414) 476-4999 Fax (414) 476-4889

This brochure supplement provides information about George Schmidley that supplements the Affiliated Financial Advisors, Inc. (“AFA”) brochure. You should have received a copy of that brochure. Please contact George Schmidley if you did not receive AFA's brochure or if you have any questions about the contents of this supplement.

Additional information about George M. Schmidley (CRD No. 1333934) is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 - Educational Background and Business Experience

Mr. Schmidley, born in 1963, graduated from Marquette University in Milwaukee, Wisconsin with a Bachelor of Science degree in Business Administration-Finance in 1985. Since 1985, he has been self-employed as an investment adviser and became President of AFA during 1992. He was a securities registered representative for Geneva Securities, Inc. from January 8, 1993 to November 1999. He was a general securities representative for Capital Financial Services, Inc. from 1999 until 2011. He is also registered as an insurance agent for various insurance companies as set forth in Item 10 of the attached brochure.

Mr. Schmidley is a member of the Financial Planning Association of Southern Wisconsin and subscribes to their Code of Ethics. Mr. Schmidley has successfully passed the FINRA Series 7, General Securities Representative Exam, Series 24 General Securities Principal Exam, NASAA Series 63 Uniform Securities Agent State Law Exam and the Series 65 Uniform Investment Adviser Law Exam.

Item 3 - Disciplinary Information

Mr. Schmidley does not have any disciplinary information to disclose. He has not: (a) been party to a criminal or civil action in a domestic, foreign or military court, (b) been party to an administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency or any foreign financial regulatory authority; or (c) been party to a self-regulatory proceeding.

Item 4 - Other Business Activities

Mr. Schmidley is also licensed to sell insurance products through various insurance companies. He also provides tax planning advice and tax return preparation services.

Item 5 - Additional Compensation

Mr. Schmidley receives commissions for the sale of insurance. He does not receive any additional economic benefit from third parties for providing advisory services other than as noted above.

Item 6 - Supervision

Mr. Schmidley is the Chief Compliance Officer of AFA. He is responsible for the supervision of himself and other AFA Representatives. His contact information is available on the cover page of this brochure supplement.

Mr. Schmidley reviews and monitors his advisory activity for suitability of recommendations and compliance with regulatory and internal procedures.

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SCHEDULE 2B - BROCHURE SUPPLEMENT

Jason V. Voelker, CFP®
December 31, 2011

AFFILIATED FINANCIAL ADVISORS, INC.
2300 North Mayfair Road
Suite 640
Milwaukee, WI 53226
Phone (414) 476-4999 Fax (414) 476-4889

This brochure supplement provides information about Jason Voelker that supplements the Affiliated Financial Advisors, Inc. (“AFA”) brochure. You should have received a copy of that brochure. Please contact George Schmidley if you did not receive AFA's brochure or if you have any questions about the contents of this supplement.

Additional information about Jason V. Voelker (CRD No. 4727322) is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 - Educational Background and Business Experience

Mr. Voelker, born in 1976, enlisted in the Marine Corps after high school and served our country for four years. After being honorably discharged, he attended the University of Wisconsin Madison and received a Bachelor's Degree in History. He joined AFA, Inc. in 2002 and his primary responsibilities include portfolio construction, asset management, and client account servicing. He was registered as a representative of Capital Financial Services, Inc. from 2003 until 2011.

Mr. Voelker is a member of the Financial Planning Association of Southern Wisconsin and subscribes to their Code of Ethics. He is a Wisconsin Insurance Life & Health Agent. In 2008, he became a Certified Financial Planner™ practitioner and in 2009, he received a Masters in Business Administration from the University of Wisconsin Milwaukee. He has successfully passed the FINRA Series 7 General Securities Representative Exam, Series 24 General Securities Principal Exam, NASAA Series 63 Uniform Agent State Law Exam and the Series 65 Uniform Investment Advisor Law Exam.

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

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

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

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

- Continuing Education - Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and

- Ethics - Renew an agreement to be bound by the *Standards of Professional Conduct*. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interest of their clients.

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

Item 3 - Disciplinary Information

Mr. Voelker does not have any disciplinary information to disclose. He has not: (a) been party to a criminal or civil action in a domestic, foreign or military court, (b) been party to an administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency or any foreign financial regulatory authority; or (c) been party to a self-regulatory proceeding.

Item 4 - Other Business Activities

Mr. Voelker is also licensed to sell insurance products through various insurance companies.

Item 5 - Additional Compensation

Mr. Voelker receives commissions for the sale of insurance products. He does not receive any additional economic benefit from third parties for providing advisory services other than as noted above.

Item 6 - Supervision

George Schmidley is the Chief Compliance Officer for AFA, therefore, he is responsible for the supervision of Mr. Voelker's investment advisory activities. Mr. Schmidley's contact information is available on the cover page of this brochure supplement.

Mr. Schmidley regularly reviews the accounts for which Mr. Voelker provides investment advisory services to monitor suitability of recommendations and compliance with regulatory and internal procedures.