

Creative Financial Designs, Inc.

Form ADV Part 2A
Disclosure Brochure

March 31, 2012

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This brochure provides information about the qualifications and business practices of Creative Financial Designs, Inc. If you have any questions about the contents of this brochure, please contact us at 765.453.9600 and/or

www.creativefinancialdesigns.com

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Additional information about Creative Financial Designs, Inc. is available on the SEC's website at www.adviserinfo.sec.gov

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MATERIAL CHANGES

The Material Changes section of this brochure will be updated annually to describe material changes that have occurred since the most recent Brochure update. The following information consists of the material changes made by the Applicant since its last annual updating amendment which was dated March 31, 2011.

Material Changes since most recent Brochure Update

The Firm has added another advisory service for that segment of its clients and prospective clients for whom the strategy's investment objectives and risk tolerance features are appropriate. The new program is called the Medallion Investment Strategy, and is described, including applicable fees, later in this brochure.

The firm's Chief Compliance Officer, William E. Gregg, resigned from the company effective March 31, 2012. The firm named Matthew O. Bahrenburg as the Chief Compliance Officer to replace Mr. Gregg. Mr. Bahrenburg also replaces Mr. Gregg on the firm's Investment Committee to determine the general direction of investment advice given by the firm.

The U.S. Securities and Exchange Commission issued a final rule in July 2010 requiring advisers to provide the ADV Brochure in narrative format. The new final rule specifies mandatory sections and organization. The rule also requires that each investment adviser representative that determines client "investment advice" provide the applicable Clients and prospective Clients with an ADV brochure supplement that describes the investment adviser representative's personal educational and disciplinary background. The firm has prepared the Schedule 2B supplement and requires its advisory representatives to provide it to clients.

Clients may request a complete copy of our ADV Brochure and supplements by calling 765.453.9600 or by email requests to managedaccounts@creativefinancialdesigns.com.

ADVISORY BUSINESS

Firm Description and Ownership

Creative Financial Designs, Inc. is a corporation formed according to the laws of the State of Indiana in 1982. The firm is a 'federal covered' investment adviser, meaning it is registered with the United States Securities and Exchange Commission. [SEC "registration" does not mean, and is not meant to imply, any particular level of skill or training, or an "approval" of any sort by the SEC.] The firm is also "notice filed" with many states.

The Applicant is privately owned. There is currently only one owner with twenty-five percent or more ownership interest, and that is the "Owens Family Trust", with an ownership interest of approximately fifty-two percent. The current trustees of the Owens Family Trust are Brent Owens and his wife Kim. Brent Owens is president of the firm and the son of the Applicant's founder, Mick Owens.

The firm's founder, Mick Owens, and the Owens Family Trust, whose beneficial owners are Brent A. Owens, the president of the company, and his wife, Kim Owens, are also significant stock holders of a related company, cfd Investments, Inc., a securities broker/dealer that also often provides services to advisory clients. Mick Owens is also the principal owner of several other companies founded to complement the comprehensive financial planning services of Creative Financial Designs, Inc. Those companies include cfd Accounting, cfd Realty [a Coldwell Banker affiliate office owned by Mick's wife, Kathy Owens], cfd Mortgage, cfd Accounting Services, cfd Insurance Planners [a life and health insurance agency], and cfd Banking [an affinity banking relationship with Bancorp Bank, NA].

ADVISORY SERVICES, FEES AND COMPENSATION

MANAGED ACCOUNT SERVICES

The Applicant's managed accounts services are comprised of three distinct service platforms: **AssetAllocation Brokerage, Self-Directed Retirement, and 3rd Party Variable Annuity**. The firm also offers a non-discretionary brokerage account service for a single comprehensive fee, known as the "Fee-in-Lieu" program.

AssetAllocation Brokerage – Descriptions and account minimums

Under the AssetAllocation Brokerage management platform the Applicant manages a client's brokerage account according to the client's criteria such as investment objectives, risk tolerance and time horizon. Managed brokerage accounts may consist of investments in such securities as, without limitation, common and/or preferred stocks, bonds, other fixed income securities, mutual funds, exchange traded funds and certificates of deposit.

The firm has developed model portfolios based upon Morningstar (formerly Ibbotson) models (e.g. conservative income, income, conservative growth, growth, and aggressive growth). Available investments are categorized according to the Model guidelines and overall asset allocation is determined taking those categorizations into effect in arriving at the model portfolio allocations. The Medallion Investment Strategy is the one investment strategy that does not rely on asset allocation. More information on that strategy below.

For management of the model portfolio, there are several "investment strategies" as follows:

- Mutual Funds Only
 - minimum \$25k account size
 - ticket charges apply
- No Transaction Fee ("NTF") Mutual Funds
 - minimum \$25k account size
 - no ticket charges

- Individual Equities
 - minimum \$60k account size
 - ticket charges apply
- Combination – Mutual Funds, Individual Equities, ETF's, Bonds, etc.
 - minimum \$60k account size
 - ticket charges apply
- Exchange Traded Funds
 - minimum \$60k account size
 - ticket charges apply
- Biblical Faith Values
 - minimum \$25k account size
 - ticket charges apply
- Medallion
 - minimum \$60k account size
 - no ticket charges

For the all above investment strategies, client accounts must be established with either RBC CS (RBC Correspondent Services) or NFS (National Financial Services).

Under the Biblical Faith Values strategy, the Applicant, with the use of independent software and internet programs, attempts to minimize the exposure to companies that support, benefit and invest in certain industries and/or immoral lifestyles, when possible (e.g. gambling, alcohol, pornography and alternative lifestyles).

If a client's managed brokerage account falls below the account minimum, the Applicant reserves the authority to change the chosen strategy to one that is more conducive to the management of assets at that level, or to discontinue management in its entirety (example, client had \$80k, in the combination strategy, they pull out \$65k and Applicant moves the assets to the NTF strategy). Applicant reviews accounts for adherence to the account minimum requirements at the end of each calendar year or as distributions happen, and makes strategy changes accordingly.

Client Limitations on Investments

All client securities are held by custodians unaffiliated with the Applicant. Securities are held in the client's name, or the name of the applicable custodian or trust, in the case of qualified accounts. Clients may place reasonable restrictions on certain aspects of the management of their accounts. For instance, clients may elect to retain certain securities in their managed account and not have those assets be subject sale in the course of Applicant's management of the account. Clients may also elect, in some circumstances, to have capital gains "managed" so as to be taken over a specified period of time. Applicant reserves the right to charge its management fee inclusive of such assets

because of the additional work and considerations that must be afforded in accommodating such client-imposed restrictions.

Biblical Faith Values investment strategy, Applicant utilizes certain software and asset screening programs of unaffiliated third parties in order to prevent investment in the stock of companies that engage in certain industries or lifestyles, or otherwise contribute to or endorse such industries or activities. Due to a lack of investments in certain management strategies, this may not always be possible. This strategy is used only with respect to mutual fund investments. (Basically a duplicate to one of the above paragraphs on page 6)

Medallion Investment Strategy-Brokerage-Description

This strategy is designed for those investors who seek a more active approach to the management of their money. This strategy is designed for those that have a long-term moderate to aggressive growth focus and invests only a portion of their portfolio in this strategy. The disciplined process has the potential to reduce volatility and enhance overall client diversification by identifying potential growth opportunities during both bull AND bear markets. Creative Financial Designs uses a proprietary quantitative model to assess the equity markets on a daily basis. The model helps to determine whether conditions are favorable or unfavorable for investment. The strategy holds cash the majority of the time and also has the ability to short the market during rare periods of extreme weakness. The strategy can also be long the market and can use leveraged funds. The use of leverage by a mutual fund increases the risk to the portfolio. The more a portfolio invests in leveraged instruments, the more the leverage will magnify gains or losses on those investments. Due to the complexity and structure of these portfolios, they may not perform over time in direct or inverse correlation to their underlying index. Tactical and dynamic investment strategies involve more frequent trading than the traditional "buy-and-hold" investment strategies. Such trading can increase transaction costs and create more short-term tax gains than Client may be used to seeing in other types of strategies.

Market conditions are measured daily. When signals are neutral, the strategy allocates to money market type funds and subaccounts (historically 45-50% of the time). Due to the large and frequent positions in cash equivalents, the strategy may limit the possible upside potential of the market in a similar way that it attempts to limit the downside participation.

Fees

Under its AssetAllocation Brokerage platform, applicant charges a fee based on the value of the assets in a managed account. Fees on these accounts generally start at 0.50% of the assets under management for stocks, bonds, and mutual funds, and may increase up to a maximum of 2.00%.

All fees are negotiable.

The annual rate that will be applied is fixed when a client opens an account and is indicated in their Investment Management Agreement. The quarterly fee is based on the

annual rate divided by four. Fees are payable quarterly and in advance and are based upon the ending account value of the prior calendar quarter. When an account is opened during the quarter, the fee for that quarter is prorated for the portion of the calendar quarter for which management services will be provided.

Account Minimums and other Fees

Only the NTF (No Transaction Fee) program offers transactions without ticket charges. Under other strategies, ticket charges and/or other related fees may apply to an account, in addition to management fees.

- Mutual Funds Only -minimum \$25k account size
- Individual Equities - minimum \$60k account size
- Combination - minimum \$60k account size
- ETF - minimum \$60k account size
- NTF - minimum \$25k account size
- Biblical Faith Values -minimum \$25k account
- Medallion – minimum \$60k account size

Although not required unless model portfolios are utilized, it is generally the case that the applicant will utilize its related broker/dealer, cfd Investments, Inc., to effect all securities transactions for its managed accounts.

Self-Directed Retirement-Description

In the Self-Directed Retirement management platform, the assets held in clients' 401k, 403b, 457 or other company retirement plan assets are managed by Applicant's investment management staff.

The firm has developed model portfolios based upon Morningstar models (e.g. conservative income, income, conservative growth, growth, and aggressive growth). Available investments are categorized according to the Model guidelines, and overall asset allocation is determined taking those categorizations into effect in arriving at the model portfolio allocations.

For managed self-directed retirement plan accounts, fees are assessed on a monthly basis, in arrears, and are determined according to the value of the account being managed. Applicant will adjust the fee according to changes in the account value. The initial billing rate will be determined by the account value at the time the Management Agreement is initiated and will remain in effect for a minimum of twelve months, after which, the new monthly rate will be established, and may increase or decrease based upon the account value at that time.

| Account Size | Recommended "Active" Monthly Fee Rate |
|---------------------|--|
| < \$24,999 | \$15/month |
| \$25,000 - \$49,999 | \$25/month |
| \$50,000 - \$74,999 | \$50/month |
| \$75,000 - \$99,999 | \$75/month |

| | |
|-----------------------|-------------|
| \$100,000 - \$124,999 | \$100/month |
| \$125,000 - \$149,999 | \$125/month |
| \$150,000 - \$249,999 | \$150/month |
| \$250,000 - \$499,999 | \$200/month |
| \$500,000+ | \$250/month |

Applicant provides services on both an “active” and a “passive” investment style. Under the “active” management strategy, the management team monitors accounts on a daily basis and rebalances the account to the desired allocation as needed. Under the “passive” management strategy, for which fees are \$45, \$90 or \$135 per quarter, accounts are monitored and rebalanced on a quarterly basis, as needed, to retain the desired allocation.

Third Party Variable Annuity-Description

Under the 3rd Party Variable Annuity management program, the firm’s management staff will actively manage the underlying separate account assets of clients’ variable annuity products. The service is not available with respect to all issuers’ variable annuities, and the firm takes precautions to ensure that no other benefits of an annuity contract (e.g. income benefits, withdrawal benefits, etc.) are negatively impacted by the management of the contracts.

Fees

Under the 3rd Party Variable Annuity Management platform, applicant charges a fee based on the value of the assets in a managed account. Fees on these accounts generally start at 0.50% of the assets under management and may increase up to a maximum of 1.50%.

The annual rate that will be applied is fixed when a client opens an account and is indicated in their Investment Management Agreement. The quarterly fee is based on the annual rate divided by four. Fees are payable quarterly and in advance and are based upon the ending account value of the prior calendar quarter. When an account is opened during the quarter, the fee for that quarter is prorated for the portion of the calendar quarter for which management services will be provided.

All fees are negotiable.

Medallion Investment Strategy-3rd Party Variable Annuity-Description

This strategy is designed for those investors who seek a more active approach to the management of their money. This strategy is designed for those that have a long-term moderate to aggressive growth focus and invests only a portion of their portfolio in this strategy. The disciplined process has the potential to reduce volatility and enhance diversification by identifying potential growth opportunities during both bull AND bear markets. Creative Financial Designs uses a proprietary quantitative model to assess the equity markets on a daily basis. The model helps to determine whether conditions are favorable or unfavorable for investment. The strategy holds cash the majority of the time and also has the ability to short the market during rare periods of extreme

weakness. The strategy can also be long the market and can use leveraged funds. The use of leverage by a mutual fund increases the risk to the portfolio. The more a portfolio invests in leveraged instruments, the more the leverage will magnify gains or losses on those investments. Due to the complexity and structure of these portfolios, they may not perform over time in direct or inverse correlation to their underlying index. Tactical and dynamic investment strategies involve more frequent trading than the traditional "buy-and-hold" investment strategies. Such trading can increase transaction costs and create more short-term tax gains than Client may be used to seeing in other types of strategies.

Market conditions are measured daily. When signals are neutral, the strategy allocates to money market type funds and subaccounts (historically 45-50% of the time). Due to the large and frequent positions in cash equivalents, the strategy may limit the possible upside potential of the market in a similar way that it attempts to limit the downside participation.

Custodians: Under this program, the firm requires that clients use Nationwide as the annuity issuer.

The maximum advisory fee for the program is 1.75% of assets under management.

The minimum investment for the program is recommended at \$50,000.

Fee-in-Lieu-Description

Applicant provides a service to its clients whereby clients may have brokerage accounts for which no separate transaction fees (i.e. trade-by-trade transaction fees) are charged for transactions that the clients may effect in the account. Rather, a single asset-based fee is charged to the client for such brokerage services. Applicant does not provide separate investment advice for a fee under such arrangements and does not take any level of discretion with respect to the accounts.

Clients pay Designs an annual fee of up to two percent of the value of assets in the account, billed quarterly in advance, and based upon the prior quarter-end value of assets in the Account. "Value of the Account" means all assets in the Account, including securities, cash, and money market balances. Margin debit balances and short positions do not reduce the value of these assets.

Client will not pay brokerage execution costs and commissions, but may pay such charges as:

- Certain dealer-markups and odd-lot differentials, transfer taxes, exchange fees mandated by the Securities Exchange Act of 1934, and any other charges imposed by law with regard to any transactions in the Account;
- Management and other fees on open-end and closed-end mutual fund shares and UITs;

- Individual Retirement Accounts (IRA) fees and qualified retirement plan account fees;
- Margin interest;
- Check reordering costs and fees;
- Any contingent deferred sales charge assessed by a mutual fund company on the sale or liquidation of a mutual fund; and
- Short-term trading charges for purchases and corresponding redemptions of certain mutual fund shares (see fund prospectus for details) made within short periods of time.

Further, the annual fee charged by Designs for the Account is in addition to the fees charged by open-end and closed-end funds. To the extent that a client intends to hold fund shares for an extended period of time, or purchases no load funds within the Account, it may be more economical for the client to purchase fund shares outside of the Account. Clients are advised that transferring mutual fund shares into the Account will result in an obligation to pay an annual fee based on the value of the funds so held in the Account, and that such fee(s) is in addition to any sales charges or commissions paid when the funds were purchased by Client. Also, no fee adjustments are made during any calendar quarter for appreciation or depreciation in the value of the Account. With NFS managed accounts an additional fee may, however, be assessed if cumulative deposits during a quarter equals or exceeds \$10,000. Likewise, a refund of fees will occur if a withdrawal equals or exceeds \$10,000. Clients are advised that they may be able to purchase similar services separately from other service providers and the cost of such services may be more or less than the program fee charged by Applicant.

FINANCIAL PLANNING SERVICES

Comprehensive Financial Plan fees are based on the client's gross income as reported on their most recent tax return. The total fee is fixed when the client signs the Investment Advisory Agreement.

| Gross Income | Down Payment | + | Monthly Amount | Total Fee |
|-------------------------------|--------------|---|----------------|----------------|
| under \$50,000 | \$280 | | \$35 | \$700-2,000 |
| \$50,000 but under \$75,000 | \$380 | | \$35 | \$800-3,000 |
| \$75,000 but under \$100,000 | \$480 | | \$35 | \$900-4,000 |
| \$100,000 but under \$150,000 | \$580 | | \$35 | \$1,000-5,000 |
| \$150,000 but under \$250,000 | \$680 | | \$35 | \$1,100-10,000 |
| \$250,000 and above | \$780 | | \$35 | \$1,200-20,000 |

The down payment is due upon submission of the client's data. The monthly payment is due each month for the following 12 months. If there is a balance due, (the contract price less the down payment and the monthly payments is less than the total fee), then the balance is due 30 days after the written report is completed and made available to the client.

The Investment Advisory Agreement may be terminated by either party upon written notice. If, before the total fee has been paid, the client is not satisfied and the plan cannot be modified, then one-half of the total fee that has been collected will be refunded. If, after payment in full, the client is not satisfied and the plan cannot be modified, then 50% of the total fee will be refunded. Any claim for refund of a financial plan fee must be made within sixty days of delivery of the completed plan to the client.

The retainer fee for subsequent years will range from \$35 to \$250 per month, depending upon the agreed upon scope of work. Specialty services can also be billed at an agreed upon rate of up to \$200 per hour.

Clients desiring a less comprehensive financial plan can choose to have a "mini" or "modular" plan created for them, which may consist of one or more of the following services and fees:

| | |
|--|---------------------|
| 1. Estate Analysis | \$600-20,000 |
| 2. Medicaid Planning | \$200-10,000 |
| 3. Business Financial Plan | \$600-20,000 |
| 4. Investment Analysis | \$300-1,500 |
| 5. Tax Analysis | \$300-1,500 |
| 6. Income Funding Analysis | \$150-1,500 |
| 7. Educational Funding Analysis | \$150-1,500 |
| 8. Retirement Analysis | \$300-1,500 |
| 9. Accumulation Funding Analysis | \$150-1,500 |
| 10. Budget Construction/Analysis | \$300-1,500 |
| 11. Credit Negotiation | \$50/hr. + expenses |
| 12. Special Project Work | up to \$200/hr. |
| 13. Checkbook Maintenance | \$20/mo. |
| 14. Checkbook Maintenance w/ Bill Paying | \$30/mo. |

As a rule with Modular Planning, the entire fee is due upon delivery of the analysis or service and is generally not refundable.

In addition to offering advice on investments in partnerships that invest in such things as real estate and oil & gas interests, Applicant may offer advice on partnerships that engage in other types of businesses (including, without limitation, equipment leasing, research & development, and cable television), as well as on American Depositary Receipts in respect of common stocks and other securities issued by foreign countries.

The client is under no obligation to effect securities or insurance transactions through the applicant's affiliates or related persons if they choose to act on or otherwise implement any recommendations made in either a Comprehensive Financial Plan or other Modular Plan.

ASSETS UNDER MANAGEMENT

At December 31, 2011, the Applicant had Assets Under Management of \$24,331,000, of which approximately \$36,358,000 was non-discretionary.

FEES AND COMPENSATION

Advisory fees are as set forth above with respect to the various programs and services. Fees may, in some instances, be negotiable depending on such factors as, without limitation, special needs or requirements of the client and/or the complexity or simplicity of the work required.

Clients may elect to pay their fees directly to Applicant, or may elect to have Applicant deduct its fees directly from specified managed accounts, annuity contracts, or bank account. Clients may also elect to allow Applicant to charge its fees directly to a client's credit card as well.

The firm does not charge performance based fees under any advisory program, nor does it share or participate in the capital gains of client accounts.

Clients may pay certain fees and charges which are in addition to Applicant's fees. Such fees and charges may include, but are not necessarily limited to:

- Certain dealer-markups and odd-lot differentials, transfer taxes, exchange fees mandated by the Securities Exchange Act of 1934, and any other charges imposed by law with regard to any transactions in the Account;
- Management and other fees on open-end and closed-end mutual fund shares and UITs;
- Individual Retirement Accounts (IRA) fees and qualified retirement plan account fees;
- Margin interest;
- Check reordering costs and fees;
- Any contingent deferred sales charge assessed by a mutual fund company on the sale or liquidation of a mutual fund.

Further, the annual fee charged by Designs for the Account is in addition to the management fees charged by open-end, closed-end funds, and ETF's. To the extent that a client intends to hold fund shares for an extended period of time, or purchases no load funds within the Account, it may be more economical for the client to purchase fund shares outside of the Account. Clients are advised that transferring mutual fund shares into the Account will result in an obligation to pay an annual fee based on the value of the funds so held in the Account, and that such fee(s) is in addition to any sales charges or commissions paid when the funds were purchased by Client.

TERMINATION PROVISIONS

Termination of advisory services can be accomplished by written notice from one party to another. Under the Managed Brokerage account and 3rd Party Variable Annuity

platforms, Applicant will return to client any unearned pre-paid advisory fees upon receipt of termination notice.

For provisions concerning termination of financial planning services, see the description under “Advisory Services, Fees and Compensation – Financial Planning Services”.

TYPES OF CLIENTS

The firm provides advisory services to individuals and business entities, as well as to employer retirement plans.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

For Managed Accounts, the Applicant, with the use of independent software and internet programs, seeks to match the client investment goals, objectives and risk tolerance to the appropriate management portfolio, and then within each portfolio, the appropriate strategy. Categorizations of assets are made using the Morningstar (formerly Ibbotson) software. Appropriate adjustments to model portfolios are determined by the Applicant’s Investment Committee, and are based upon the committee members assessments and views of then-current market and industry circumstances, in addition to other variables such as economic, demographic and geo-political events both in the U.S. and globally.

With respect to financial planning activities, Applicant utilizes several professional planning software programs, depending upon the client needs and desired scope of services.

With all investments and investment strategies there is a risk of loss of investment principal, and no guarantees are or can be made that any particular investment, investment plan or strategy will fulfill its objective or prove to be profitable.

EDUCATION, BUSINESS STANDARDS OF PERSONS GIVING OR DETERMINING ADVICE

Advisers are required to have either a four-year college degree or significant experience in the field of investments, insurance, or real estate.

Applicant utilizes an Investment Committee in determining the general strategies employed in the delivery of investment advice provided to clients. Individualized advice is determined by members of the Financial Planning Department and/or appropriately qualified and registered Financial Advisers, within the parameters approved by the Investment Committee. Specific strategic determinations for actively managed accounts are determined by the professionals in the Money Management Department.

Investment Committee

Brent A. Owens, born in 1969, graduated from Indiana Wesleyan University with a B.S. in Business Administration in 1992. He is a General Securities Principal. He is an active

member of the Financial Planning Association. Mr. Owens has been President of the Applicant and cfd Investments, Inc. (a registered broker/dealer) since 1997. Prior to that he served as a financial and operations principal of both the Applicant and cfd Investments, Inc. His experience includes plan writing and investment management of the Applicant's managed accounts.

Kregg J. Rooze, born in 1974, graduated from Purdue University with a B.S. in Financial Counseling and Planning in 1998. He is a General Securities Principal and Vice President of the Applicant. He began working for Applicant in 1997. His experience includes plan writing, and, since 1999, investment management of the Applicant's managed accounts.

Matthew O. Bahrenburg, born in 1970, graduated from Tabor College with a B.A. in Philosophy in 1992, and received his J.D. from the University of North Dakota Law School in 1995. He is the Chief Compliance Officer of the Applicant. He is a General Securities Principal, and also serves as the Chief Compliance Officer of cfd Investments, Inc. Mr. Bahrenburg was an enforcement attorney with the North Dakota Securities Department from April 1996 until February 2007.

Daniel K. Hale, born in 1972, graduated from the University of North Carolina - Pembroke in 1995 with a B.S. in Business Administration. He also has an Associates Degree in Accounting from Garden City Community College. He is a General Securities Principal and an Options Principal, as well as Vice President of cfd Investments, Inc. He began working for the Applicant in 1995.

Mick Owens, born in 1946, graduated from Indiana State University in 1968 with a B.S. in Mathematics. Mr. Owens is the founder of the Applicant and of cfd Investments, Inc., a securities broker/dealer and related person of Applicant. Mr. Owens is also the founder of several companies that do not have material interrelationships with the Applicant; cfd Insurance Planners, cfd Accounting Services, cfd Mortgage, cfd Realty and cfd Banking Services. Mr. Owens has obtained the CLU, ChFC, and CFP designations and is a general securities principal. Mr. Owens is a member of the firm's Investment Committee.

OTHER BUSINESS ACTIVITIES

The Applicant's services entail more than providing investment advice or managed accounts. Particularly with respect to financial planning services, in-depth fact finding interviews are conducted and clients may elect to receive advice and/or services concerning things other than securities (e.g. budget analysis, bill paying service, etc.). The purpose of this approach is to address a client's entire financial life, rather than just investments.

Solicitor Activities

Acting as Solicitor:

The firm may in some instances act as a solicitor to third party asset managers and receive a fee for its solicitation activities.

Engaging Solicitors:

To the extent permitted under applicable state law(s), the Applicant may pay a fee under its referral program. The amounts paid and the persons eligible under the referral program are provided for by written agreement. The amount is based on a percentage of the fees it collects for investment advisory or financial planning services.

Other Activities of Staff Members and Financial Advisers

Most of the Applicant's personnel and Financial Advisers are registered representatives of cfd Investments, Inc., a securities broker/dealer and related person of Applicant. cfd Investments acts as broker for securities transactions and, in those instances, receives transaction-based compensation. Where advisory clients of Applicant elect to effect securities transactions through cfd Investments, Inc., their Financial Adviser, in the capacity of registered securities representative, will be compensated thereon. The client is not obligated to effect any transactions through cfd Investments, but may choose to utilize the securities firm of their choice.

A client's financial adviser or cfd Investments, Inc. may occasionally purchase securities which are also recommended to the Applicant's clients. This situation almost universally entails publicly traded stocks or mutual funds, where there is little risk that Clients might be disadvantaged by the Applicant or their Financial Adviser trading in advance of clients. However, the Applicant's Financial Advisers are required to effect any client transactions prior to their own.

In addition to acting as independent financial advisers of the Applicant and registered securities representatives of its affiliate, cfd Investments, Inc., financial advisers to clients may also have various other outside business activities, related to the financial services industry or totally unrelated to same. All outside business activities of financial advisers must be disclosed to, and approved by, Applicant's compliance department. Applicable disclosures of potential conflicts of interest relating to individual circumstances are made to clients in such situations.

OTHER FINANCIAL INDUSTRY ACTIVITIES OR AFFILIATIONS

The Applicant has some common shareholders, officers and directors with cfd Investments, Inc., cfd Insurance Planners, Inc. and other companies related only by common ownership. No CFD company has a controlling ownership interest in any other CFD company. cfd Investments, Inc., is a registered Broker/Dealer and member of FINRA. cfd Insurance Planners is a licensed life and health insurance agency. As disclosed elsewhere, there are also related companies such as cfd Mortgage [mortgage broker], cfd Accounting Services [accounting and tax service business], cfd Realty [a real estate broker affiliated with Coldwell Banker] and cfd Banking Services [an affinity banking relationship between cfd Investments, Inc. and Bancorp Bank.]. The object is to make the products and services of those companies available to clients, if desired, in order to provide superior services and products toward achievement of their overall financial goals. However, unless otherwise noted herein, clients are not obligated to use

either cfd Investments or any other affiliated entity in the course of implementing advice given by Applicant. For some management platforms, clients are required to use the services of cfd Investments, Inc. for brokerage services. While the Applicant believes that the commissions and charges of cfd Investments, Inc. are competitive with the industry norms, and negotiation of commission rates is possible, clients may be able to obtain substantially similar services from other industry broker/dealers at lesser cost.

PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS

Although not required unless model portfolios are utilized, it is generally the case that the applicant will utilize its related broker/dealer, cfd Investments, Inc., to effect all securities transactions for its managed accounts. (See also disclosures above re “OTHER FINANCIAL INDUSTRY ACTIVITIES OR AFFILIATIONS”)

CUSTODY OF CLIENT FUNDS AND SECURITIES

All client assets are held at qualified custodians who provide account statements directly to clients at their address of record. Occasionally, qualified clients may invest in private placements of securities which are not held at qualified custodians. In those cases, statements are generally provided directly by the investment issuer at least annually.

While the Applicant does not take physical custody of client funds or securities, SEC rules under the Investment Advisers Act of 1940 deem the Applicant to have custody of client assets because of two business methodologies employed by the firm. First, some clients give the firm information which allows the firm to access the client’s brokerage account or employee benefit plan account to collect its advisory fees. Second, clients under the Self Directed Retirement and the Third Party Variable Annuity management platforms give the Applicant access to their employer plan account or variable annuity to allow the Applicant to effect investment management transactions with regard to those assets. Under SEC rules, this level of access by the Applicant to the client assets is considered the equivalent of the Applicant having “custody” of the client assets.

Because the Applicant is deemed to have custody of client assets due to the circumstances described above, the firm has engaged an independent auditor to perform an unannounced audit of the firm’s activities relating to client assets on at least an annual basis. The purpose of the audit is to ensure that the Applicant and its personnel are dealing appropriately with client assets and to verify those client assets with the respective custodians where the client assets are held, as well as directly with clients themselves.

CODE OF ETHICS

Applicant, its employees and Financial Advisers are subject to the firm's Code of Ethics. The Code generally provides that in all of the firm's business the best interest of the client is primary. Conflicts of interest are to be avoided and, where they cannot be avoided, acted upon in the client's best interests. The Code further requires employees and

Financial Advisers to, among other things, adhere to all applicable regulatory requirements and to protect the confidential information of clients. Clients may obtain a copy of the firm's Code of Ethics upon request.

BROKERAGE PRACTICES

Choice of Broker/Dealers:

Although not required, it is generally the case that the applicant will utilize its related broker/dealer, cfd Investments, Inc., to effect all securities transactions for its managed accounts. cfd Investments, Inc. utilizes RBC Correspondent Services ("RBC CS") and National Financial Services ("NFS") as its clearing firms, and those firms provide or provide for such services as transaction execution, clearance, settlement and custody. The Applicant believes that the commission and other charges available through cfd Investments, Inc. are competitive relative to the services provided. Clients may negotiate commissions and other charges.

Execution of Transactions:

When effecting securities transactions for managed assets on the RBC CS and NFS transaction platforms, the Applicant's personnel will generally effect transactions for all clients on one platform (i.e. either RBC CS or NFS) before effecting the transactions for clients on the other clearing platform. This practice will result in some clients obtaining execution of their portfolio transactions earlier than clients on the other clearing platform and may, in periods of market volatility, result in differing execution prices for some clients for transactions involving the same securities.

Soft Dollars/Referrals/Directed Brokerage:

Applicant does not receive research or other soft dollar benefits. Applicant does not direct brokerage to any broker/dealer in return for any form of compensation or referrals. As noted elsewhere in this disclosure brochure, substantially all of Applicant's investment adviser representatives are also registered securities representatives with cfd Investments, Inc., a registered broker/dealer and affiliate of Applicant. Applicant itself utilizes the brokerage services of cfd Investments, Inc. and generally recommends, and in some cases requires, that advisory clients utilize the services of the affiliated broker/dealer. However, financial planning clients are advised that they are free to use the broker/dealer of their choice to implement financial planning recommendations. However, clients should be aware that a conflict of interest is present when utilizing cfd Investments, Inc. for plan implementation transactions since their financial adviser may be compensated for such securities transactions by the broker/dealer. That compensation in their capacity as registered securities representatives is in addition to any compensation they may receive from Applicant in their capacity as investment adviser representatives.

CONDITIONS FOR MANAGING ACCOUNTS

For its Managed Account programs, Applicant imposes the minimum initial account values reflected below, but reserves the right to allow exceptions based upon specific client facts and circumstances.

- Mutual Funds Only -minimum \$25,000 account size
- Individual Equities - minimum \$60,000 account size
- Combination - minimum \$60,000 account size
- ETF - minimum \$60,000 account size
- NTF - minimum \$25,000 account size
- Biblical Faith Values -minimum \$25,000 account size
- Medallion – minimum \$60,000 account size

The Applicant may make exceptions to the minimum account size requirements in some instances. Those exceptions may be made for a variety client-specific reasons, which may include, but are not limited to such situations as a client having multiple managed accounts with the Applicant, an anticipation of the client adding additional assets at a future point in time, or such other circumstances as the Applicant may deem applicable.

For the Managed Account mutual fund and variable annuity programs, clients are limited to pre-approved investment products reflecting the diversification and risk-level agreed to by the client.

REVIEW OF ACCOUNTS

Managed accounts are reviewed continually by Kregg Rooze and/or the managed accounts staff. Various internal limits on gains, losses, allocation, and diversification are constantly monitored via independent software and alerts and signals as well as personal observations. Managed account clients receive custom transaction reports showing current positions, results, fees, diversification mix, and market commentary no less frequently than quarterly and still receive their monthly and/or quarterly statements from the financial institutions where the account assets are held. All trades are reviewed by Kregg Rooze or his designee.

Both a client's investment and financial plans are reviewed at least annually. Clients are mailed a data form to update their information. This process involves a review of a client's financial position and is an opportunity to make any adjustments in their investment or financial plans. These reviews as well as the Applicant's financial planning services are conducted by three planners in the Planning Department.

INVESTMENT OR BROKERAGE DISCRETION

Applicant exercises discretion with respect to the Asset Allocation Brokerage, Self-Directed Retirement, and 3rd Party Variable Annuity management programs. For managed accounts utilizing brokerage accounts (e.g. equity securities), it is required that the clients utilize cfd Investments, Inc. as the broker of record, or a third party broker/dealer approved by the Applicant. Further, the Applicant recommends that planning clients utilize cfd Investments for security purchases and sales. Ultimately, however, the planning clients' choice of broker/dealers to use for the implementation of securities transactions is the client's decision.

PROXY VOTING

The Applicant does not vote proxies for its clients with regard to their securities holdings. All client securities are held at their respective custodians in the name of the client and therefore client custodians direct proxies to the clients themselves for voting.