

**ITEM 1. COVER PAGE FOR
PART 2A OF FORM ADV:
FIRM BROCHURE
DATED MARCH 30, 2012**

**WAGNER, LOFTIN INVESTMENT SERVICES
3478 BUSKIRK AVENUE, SUITE 308
PLEASANT HILL, CA 94523**

FIRM CONTACT: GERALD G. GUINTU, CHIEF COMPLIANCE OFFICER

This brochure provides information about the qualifications and business practices of Wagner, Loftin Investment Services. If you have any questions about the contents of this brochure, please contact by telephone at (925) 930- 7176 or email at GGuintu@wlisinvest.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 Wagner, Loftin Investment Services also is available on the SEC's website at www.adviserinfo.sec.gov .

Please note that the use of the term “registered investment adviser” and description of Wagner, Loftin Investment Services and/or our associates as “registered” does not imply a certain level of skill or training. You are encouraged to review this Brochure and Brochure Supplements for our firm’s associates who advise you for more information on the qualifications of our firm and our employees.

Item 2. Material Changes To Our Part 2A Of Form ADV:
Firm Brochure

Wagner, Loftin Investment Services is required to advise you of any material changes to our Firm Brochure (“Brochure”) from our last annual update, identify those changes on the cover page of our Brochure or on the page immediately following the cover page, or in a separate communication accompanying our Brochure. We must state clearly that we are discussing only material changes since the last annual update of our Brochure, and we must provide the date of the last annual update of our Brochure.

Please note that we do not have to provide this information to a client or prospective client who has not received a previous version of our brochure. At this time, July 2, 2012 the following written disclosures requirements were added to the following Items:

Item 4. Advisory Business

(v)Retirement Plan Consulting Services - Page 6

Item 5. Fees and Compensation

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Item 4. Advisory Business

We specialize in the following types of services: VISION2020 Advisor Program, VISION2020 Wealth Management Platform, Premier Advisory services, and Private Portfolio Manager. Our assets under management are \$97,004,959 as of December 31, 2010.

A. Description of our advisory firm, including how long we have been in business and our principal owner(s)¹.

We are dedicated to providing individuals and other types of clients with a wide array of investment advisory services. Our firm is a sole proprietorship, formed in the State of California. Our firm has been in business as an investment adviser since 1993 and is owned 100% by Ronald J. Wagner.

B. Description of the types of advisory services we offer.

(i) VISION2020 Advisor Program:

We offer the VISION2020 Advisor Program (“V2A”) which provides comprehensive investment management of your assets through the application of asset allocation planning software as well as the provision of execution, clearing and custodial services through Pershing.

V2A provides risk tolerance assessment, efficient frontier plotting, fund profiling and performance data, and portfolio optimization and re-balancing tools. Utilizing these tools, and based on your responses to a risk tolerance questionnaire (“Questionnaire”) and/or discussions that we have together regarding among other things, investment objective, risk tolerance, investment time horizon, account restrictions, and overall financial situation, we construct a portfolio of investments for you. This portfolio may consist of mutual funds, exchange traded funds, equities, options, debt securities, variable life, and/or variable annuity sub-accounts (certain restrictions may apply) or other investments.

Each portfolio is designed to meet your individual needs, stated goals and objectives. Additionally, you have the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio.

¹ Please note that: (1) For purposes of this item, our principal owners include the *persons* we list as owning 25% or more of our firm on Schedule A of Part 1A of Form ADV (Ownership Codes C, D or E). (2) If we are a publicly held company without a 25% shareholder, we simply need to disclose that we are publicly held. (3) If an individual or company owns 25% or more of our firm through subsidiaries, we must identify the individual or parent company and intermediate subsidiaries. If we are a state-registered adviser, on Form ADV Part 2A Page 2, we must identify all intermediate subsidiaries. If we are an SEC-registered adviser, we must identify intermediate subsidiaries that are publicly held, but not other intermediate subsidiaries.

(ii) VISION2020 Wealth Management Platform – Advisor Managed Portfolios:

The Wealth Management Platform – Advisor Managed Portfolios Program (“Advisor Managed Portfolios”) provides comprehensive investment management of your assets through the application of asset allocation planning software as well as the provision of execution, clearing and custodial services through Pershing, LLC (“Pershing”).

Advisor Managed Portfolios provides risk tolerance assessment, efficient frontier plotting, fund profiling and performance data, and portfolio optimization and re-balancing tools. Utilizing these tools, and based on your responses to a risk tolerance questionnaire (“Questionnaire”) and discussions that we have together regarding, among other things, investment objective, risk tolerance, investment time horizon, account restrictions, and overall financial situation, we construct a portfolio of investments for you. This portfolio may consist of mutual funds, exchange traded funds, equities, options, debt securities, variable life, variable annuity sub-accounts (certain restrictions may apply) and other investments.

Each portfolio is designed to meet your individual needs, stated goals and objectives. Additionally, you have the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio.

For further Advisor Managed Portfolios details, please see the Advisor Managed Portfolios Wrap Fee Program Brochure. We provide this brochure to you prior to or concurrent with your enrollment in Advisor Managed Portfolios. Please read it thoroughly before investing.”

(iii) Premier Advisory Services:

The investment Management Client Agreement provides for the client’s Pershing account through SagePoint Financial, Inc. to be billed automatically for Management Fees, in accordance with the fee schedule. Under the terms of an agreement between our firm and SagePoint Financial, Inc., SagePoint Financial, Inc. is re-allowed a Service Fee ranging from 10% to 25% of the total Management Fee charged by the Advisor to the client in exchange for services rendered by SagePoint Financial, Inc. to Client and Advisor.

Clients are under no obligation to accept recommendations by our firm or authorize transactions through our firm, related persons of our firm, or SagePoint Financial, Inc. Clients may be able to purchase recommended no-load mutual funds outside our firm’s program at little or no transaction cost and without our firm’s advisory fees.

Client’s should be aware that, in addition to the investment advisory fees paid by the client in connection with our firm’s Premier Advisory Services, each investment company (i.e. mutual fund) also pays its own separate investment advisory management fees and other expenses.

At our Client’s option, a quarterly report will be generated by Pershing, which is in addition to monthly account statements. This report provides a market perspective on the

most recently completed quarterly activity, and a portfolio performance summary using Standard & Poor 500 and Barclays Bond Indices as benchmark comparisons. The report also reflects holdings by asset type, contributions, withdrawals, and a description of each position held with value, gain and loss, and yield information.

(iv) Private Portfolio Manager

An investment program in which the client enters into a direct relationship with a stock and/or bond account manager who, for a fee based on a percentage of the assets in the account, manages the portfolio in accordance with investor's objectives and risk tolerance, among other factors. Clients may also incur transaction, commission, custodial, and other costs, depending upon the management programs structure as developed with the client.

Important Information Regarding Programs that Provide advice on Investment Company Securities.

Certain programs provide asset allocation or market timing advice in regard to investment company securities. In addition, our firm's programs provide services relative to a number of no-load mutual funds. The client should be aware that, in addition to the investment advisory fees paid by the client in connection with these programs, each investment company in which program assets are invested also pays its own separate investment advisory fees and other expenses.

Our firm offers investment advice in regard to the client's selection of no-load mutual funds. In all other regards, our firm's advisory function is limited to assistance in the selection of advisers who may manage assets for clients using some or all of the listed types of investments.

(v) Retirement Plan Consulting Services

We offer retirement consulting services to employee benefit plans and their fiduciaries. The services are designed to assist the plan sponsor (the "Company") in meeting its management and fiduciary obligations to the plan under ERISA. Retirement consulting services will consist of general or specific advice, and may include any one or all of the following:

1. Platform Provider Search and Plan Set-up
2. Strategic Planning and Investment Policy Development/Review.
3. Plan Review.
4. Plan Fee and Cost Review.
5. Acting as Third Party Service Provider Liaison.

6. Assessment of Plan Investments and Investment Options.
7. Plan Participant Education and Communication.
8. Investment Advice to Participants.
9. Plan Benchmarking
10. Plan Conversion to New Vendor Platform
11. Assistance in Plan Merger
12. Legislative and Regulatory Updates; Plan Corrections

The Company may also engage us to provide a review of executive benefits, for separate compensation.

We will determine with the Company in advance the scope of services to be performed and the fees for all requested services. Prior to engaging us to provide pension consulting services, the Company will be required to enter into a written agreement with us setting forth the terms and conditions of the engagement, describing the scope of the services to be provided, and the relevant fees and fee paying arrangements. The services outlined above that we provide are explained in more detail in the written agreement. We will also provide additional disclosures about our services and fees, where required by ERISA.

When we perform our agreed upon services, we will not be required to verify the accuracy or consistency of any information received from the Company.

We will serve in a nondiscretionary ERISA fiduciary capacity with respect to some but not all of the services that we provide which will be further explained in the written agreement we sign with the Company. The Company is always free to seek independent advice about the appropriateness of any recommendations made by us.

C. Explanation of whether (and, if so, how) we tailor our advisory services to the individual needs of *clients*, whether *clients* may impose restrictions on investing in certain securities or types of securities.

(i) Individual Tailoring of Advice to Clients:

We offer individualized investment advice to clients utilizing the following services offered by our firm: VISION2020 Advisor Program, VISION2020 Wealth Management Platform, Premier Advisory Services and Private Portfolio Manager.

(ii) Ability of Clients to Impose Restrictions on Investing in Certain Securities or Types of Securities:

We usually do not allow clients to impose restrictions on investing in certain securities or types of securities due to the level of difficulty this would entail in managing their account. In the rare instance that we would allow restrictions, it would be limited to the following services: VISION2020 Advisor Program, VISION2020 Wealth Management Platform, Premier Advisory Services, and Private Portfolio Manager.

D. Participation in wrap fee programs.

We do not offer wrap fee programs, however we may place client assets in a program offered by SagePoint Financial, Inc.

E. Disclosure of the amount of *client* assets we manage on a *discretionary basis* and the amount of *client* assets we manage on a *non-discretionary basis* as of December 31, 2010.

We manage² \$75,840,232 on a discretionary basis and \$21,164,727 on a non discretionary basis as of December 31, 2011.

Item 5. Fees and Compensation

We are required to describe our brokerage, custody, fees and fund expenses so you will know how much you are charged and by whom for our advisory services provided to you. Our fees are generally not negotiable.

A. Description of how we are compensated for our advisory services provided to you.

(i) VISION2020 Advisor Program:

We offer V2A as an account billed with separate advisory fees and transaction charges ("Non-Wrap Account"). As such, in addition to the quarterly account fee described below, you will also pay separate per-trade transaction charges. Please see the V2A Wrap Fee Program Brochure for a complete list of transaction charges.

We also offer V2A as an account where no separate transactions charges apply and a single fee is paid for all advisory services and transactions ("Wrap Account").

You will pay a quarterly account fee, in advance, based upon the market value of the assets held in your account as of the last business day of the preceding calendar quarter. Your account fees are negotiable and will be debited from your account by our custodian. You will receive a full account fee refund in the event that you terminate your client agreement with us within five business days of signing. If you terminate after the first five days, the

² Please note that our method for computing the amount of "*client* assets we manage" can be different from the method for computing "assets under management" required for Item 5.F in Part 1A of Form ADV. However, we have chosen to follow the method outlined for Item 5.F in Part 1A of Form ADV. If we decide to use a different method at a later date to compute "*client* assets we manage," we must keep documentation describing the method we use and inform you of the change. The amount of assets we manage may be disclosed by rounding to the nearest \$100,000. Our "as of" date must not be more than three months before the date we last updated our *Brochure* in response to Item 4.E of Form ADV Part 2A.

account fee will be credited back to you on a pro-rata basis for the unused portion of the quarter.

Additional, ancillary V2A fees may apply. Please see the V2A Wrap Fee Program Brochure for further details.

Non-Wrap Fee Option: For Accounts with separate transaction charges, the annualized advisory fee as a percentage of assets in the account is as follows:

Transaction Charge Account:

| <u>Account Size</u> | <u>Max. Client Fee</u> | <u>Admin Fee</u> |
|-----------------------------|-------------------------------|-------------------------|
| \$50,000- \$99,999.99 | 2.500% | 0.250% |
| \$100,000- \$249, 99.99 | 2.300% | 0.200% |
| \$250,000-\$499,999.99 | 2.050% | 0.175% |
| \$500,000- \$749,999.99 | 1.800% | 0.150% |
| \$750,000- \$1,249,999.99 | 1.550% | 0.125% |
| \$1,250,000- \$1,999,999.99 | 1.300% | 0.100% |
| \$2,000,000- \$4,999,999.99 | 1.050% | 0.075% |
| \$5,000,000-\$24,999,999.99 | 1.050% | 0.050% |
| Over \$25 MM | 0.800% | 0.025% |

Wrap Fee Option: For accounts where a single fee includes all advisory and transactional charges, the annualized advisory fee as a percentage of assets in the account is as follows:

No Transaction Fee Account:

| <u>Account Size</u> | <u>Max. Client Fee</u> | <u>Admin Fee</u> |
|-----------------------------|-------------------------------|-------------------------|
| \$100,000- \$249,999.99 | 2.500% | 0.400% |
| \$250,000- \$499,999.99 | 2.250% | 0.375% |
| \$500,000- \$749,999.99 | 2.000% | 0.350% |
| \$750,000- \$1,249,999.99 | 1.750% | 0.325% |
| \$1,250,000- \$1,999,999.99 | 1.500% | 0.300% |

| | | |
|------------------------------|--------|--------|
| \$2,000,000- \$4,999,999.99 | 1.250% | 0.275% |
| \$5,000,000- \$24,999,999.99 | 1.250% | 0.250% |
| Over \$25 MM | 1.000% | 0.225% |

Our firm's fees are billed on a pro-rata annualized basis quarterly in advance based on the value of your account on the last day of the previous quarter.

(ii) VISION2020 Wealth Management Platform – Advisor Managed Portfolios Program:

We may offer Advisor Managed Portfolios as an account where no separate transaction charges apply and a single fee is paid for all advisory services and transactions ("Wrap Account").

We also offer Advisor Managed Portfolios with separate advisory fees and transaction charges ("Non-Wrap Account"). As such, in addition to the quarterly account fee described below for advisory services, you will also pay separate per-trade transaction charges.

You will pay a quarterly account fee, in advance, based upon the market value of the assets held in your account as of the last business day of the preceding calendar quarter. Your account fees are negotiable and will be debited from your account by our custodian. If you terminate your account, the account fee will be credited back to you on a pro-rata basis for the unused portion of the quarter.

Additional, ancillary Model Program fees may apply. Please see the Model Program Wrap Fee Program Brochure for further details.

Our Model Program account fee schedule is as follows:

Non-Wrap Fee Option: For Accounts with separate transaction charges, the annualized advisory fee as a percentage of assets in the account is as follows:

Transaction Charge Account:

| <u>Account Size</u> | <u>Max. Client Fee</u> | <u>Admin Fee</u> |
|---------------------------|------------------------|------------------|
| \$50,000- \$99,999.99 | 2.500% | 0.250% |
| \$100,000- \$249, 99.99 | 2.300% | 0.200% |
| \$250,000-\$499,999.99 | 2.050% | 0.175% |
| \$500,000- \$749,999.99 | 1.800% | 0.150% |
| \$750,000- \$1,249,999.99 | 1.550% | 0.125% |

| | | |
|-----------------------------|--------|--------|
| \$1,250,000- \$1,999,999.99 | 1.300% | 0.100% |
| \$2,000,000- \$4,999,999.99 | 1.050% | 0.075% |
| \$5,000,000-\$24,999,999.99 | 1.050% | 0.050% |
| Over \$25 MM | 0.800% | 0.025% |

Wrap Fee Option: For accounts where a single fee includes all advisory and transactional charges, the annualized advisory fee as a percentage of assets in the account is as follows:

No Transaction Fee Account:

| <u>Account Size</u> | <u>Max. Client Fee</u> | <u>Admin Fee</u> |
|------------------------------|-------------------------------|-------------------------|
| \$100,000- \$249,999.99 | 2.500% | 0.400% |
| \$250,000- \$499,999.99 | 2.250% | 0.375% |
| \$500,000- \$749,999.99 | 2.000% | 0.350% |
| \$750,000- \$1,249,999.99 | 1.750% | 0.325% |
| \$1,250,000- \$1,999,999.99 | 1.500% | 0.300% |
| \$2,000,000- \$4,999,999.99 | 1.250% | 0.275% |
| \$5,000,000- \$24,999,999.99 | 1.250% | 0.250% |
| Over \$25 MM | 1.000% | 0.225% |

*Our firm's fees are billed on a pro-rata annualized basis quarterly in advance based on the value of your account on the last day of the previous quarter.

(iii) **Premier Advisory Services:**

The following are specifics regarding the two managed account options available:

OPTION A

This managed account with Pershing has a minimum initial account size of \$50,000. To the extent that general securities transactions (i.e., stocks, bonds, etc.) will be executed only through SagePoint Financial, Inc. and Pershing. General securities transactions are not assessed a commission, but are subject to minimum transaction charges by SagePoint Financial, Inc. and Pershing which are paid by the client according to the following fee schedule:

| | |
|-----------------|--------------------------------|
| Listed Equities | \$25, plus .025 per share |
| OTC | \$27 |
| Bonds | \$45 |
| Options | \$28, plus \$1.50 per contract |

*All stock, bond and option trades will incur an additional \$3.50 for confirmation charges.

Certain “load” mutual funds may be transacted in the Client’s account at Net Asset Value (“NAV”) without a commission charged to the client. The NAV load mutual funds hereafter referred to as “NAV Funds.” Any Rule 12(b)-1 or service fees paid by NAV Funds, will be retained by SagePoint Financial, Inc. SagePoint Financial, Inc will assess a transaction charge of \$15 to Advisor for each NAV fund transaction in excess of 10 during the referenced twelve-month period. A transition charge of \$20 will be assessed to Advisor for each no-load transaction. The fact that Advisor pays these transaction charges may affect the frequency of transactions recommended by the Advisor to Client.

The annual charge for the quarterly reporting service begins at .14% (14/100 of 1%) and is reduced based on size of account. The charge is deducted from management fees charged to the client’s account.

If the quarterly report option is not elected, an annual charge for the service of automated billing will be deducted from management fees charged to the client’s account. The annual charge for this service begins at .06% (6/100 of 1%) and is reduced based on the size of the account. The annual charge for automated billing is included in the charge for optional quarterly reporting if elected.

Quarterly reporting is not available for accounts that hold options and/or margins.

OPTION B (This option cannot be used for ERISA or IRA accounts)

This managed account with Pershing has a minimum initial account size of \$25,000. To the extent that general securities transactions (i.e., stocks, bonds, etc.) will be executed through SagePoint Financial, Inc. and Pershing. General securities transactions are not assessed a commission, but are subject to minimum transaction charges by SagePoint Financial, Inc. and Pershing which are paid by the Client according to the following fee schedule:

| | |
|-----------------|--------------------------------|
| Listed Equities | \$25, plus .025 per share |
| OTC | \$27 |
| Bonds | \$45 |
| Options | \$28, plus \$1.50 per contract |

*All stock, bond and option trades will incur an additional \$3.50 for confirmation charges.

Certain “load” mutual funds may be transacted in the client’s account at Net Asset Value (“NAV”). The NAV load mutual funds are hereafter referred to as “NAV Funds”. A

portion of any Rule 12(b)-1 of service fees paid by NAV Funds to SagePoint Financial, Inc may be re-allowed to the SagePoint Financial, Inc. registered representative on the account. SagePoint Financial, Inc. will assess a transaction charge of \$15 to Client for each NAV Fund transaction. A transaction charge of \$20 will be assessed to Client for each no-load transaction, however certain no-load mutual funds are available without transaction charges.

The annual charge for this quarterly reporting service is \$150. The fee is charged \$37.50 per quarter to the client's account.

Quarterly reporting is not available for accounts that hold options and/or margin.

There is an annual administrative charge beginning at .25% (1/4 of 1%) and is reduced by the size of the account. This charge is deducted from management fees charged to the client's account.

FEES: - ongoing fees for the Investment Management Service are calculated as a percentage of assets under management. The maximum fee schedule is as follows:

| | | | |
|---|--------------------------------|-------------------|----------------|
| <u>OPTION A</u> Minimum Balance of \$50,000 | | | |
| | <u>Assets under Management</u> | <u>Annual Fee</u> | <u>Minimum</u> |
| <u>Annual Fee</u> | | | |
| | First \$250,000 | 2.2% | .50% |
| | 250,000 to 500,000 | 1.8% | .50% |
| | 500,000 to 1,000,000 | 1.5% | .50% |
| | Over 1,000,000 | 1.2% | .50% |
| <u>OPTION B</u> Minimum Balance of \$25,000 | | | |
| | <u>Assets under Management</u> | <u>Annual Fee</u> | <u>Minimum</u> |
| <u>Annual Fee</u> | | | |
| | First \$250,000 | 2.2% | .50% |
| | 250,000 to 500,000 | 1.8% | .50% |
| | 500,000 to 1,000,000 | 1.5% | .50% |
| | Over 1,000,000 | 1.2% | .50% |

Fees for Advisor's Premier Advisory Services are billed quarterly in advance. Fees are calculated by using the following formula:

$$\frac{\text{TAV x fee schedule \% x number of days in quarter}}{\text{Number of days in year (365)}} = \text{Total quarterly}$$

The total asset value is based on the market close on the last business day of the immediately completed calendar quarter. The management fee for the first billing will be prorated for accounts that are placed under management after the beginning of the quarter. If assets are deposited after the inception of a quarter, the fee chargeable with respect to such assets as of the next calculation date will be prorated based on the number of days during the quarter the assets were held in the account. For valuation purposes the

assets will be treated as if they were held in the account as of the end of the quarter. Client will be entitled to a pro rata refund of any pre-paid quarterly fee based upon the number of days remaining in the quarter after termination.

(iv) Private Portfolio Manager:

Fees for limited planning or to develop reports are charged on a fixed fee basis. Our fixed fees are charged for a minimum of \$20,000 annually.

(v) Retirement Plan Consulting Services

We will bill the Company for Retirement Plan Consulting Services based upon a percentage of the Plan assets. The exact fee is negotiated in advance of services rendered and is disclosed in the executed written agreement that we sign with the Company. Fees will be billed quarterly in advance. In special circumstances other fee paying arrangements may be negotiated.

The written agreement may be terminated by us or the Company at any time upon 30 days' prior written notice. Upon termination, we will deliver a final billing statement for unbilled work performed prior to termination, and the Company will have a period of 30 days within which to deliver payment. If agreement termination occurs, our fee will be credited back to the Company on a pro-rata basis for the unused portion of the billing period. When we calculate the credit, we will subtract any unbilled work we performed for the Company prior to termination.

Our Retirement Plan Consulting Services are contained in the VISION2020 Wealth Management Platform – Advisor Managed Portfolios Program - Item 5. (ii), page 5 of this brochure.

B. Description of whether we deduct fees from *clients'* assets or bill *clients* for fees incurred.

Fees will generally be automatically deducted from your managed account. As part of this process, you understand and acknowledge the following:

- a) Your independent custodian sends statements at least quarterly to you showing all disbursements for your account, including the amount of the advisory fees paid to us;
- b) You provide authorization permitting us to be directly paid by these terms;
- c) If we send a copy of our invoice to you, we send a copy of our invoice to the independent custodian at the same time we send the invoice to you;
- d) If we send a copy of our invoice to you, our invoice includes a legend as required by paragraph (a)(2) of Rule 206(4)-2 under the Investment Advisers Act of 1940.**

* We do not offer direct billing as an option to our clients.

**The legend urges the client to compare information provided in their statements with those from the qualified custodian in account opening notices and subsequent statements sent to the client for whom the adviser opens custodial accounts with the qualified custodian.

C. Description of any other types of fees or expenses *clients* may pay in connection with our advisory services, such as custodian fees or mutual fund expenses.

Clients will incur transaction charges for trades executed in their accounts. These transaction fees are separate from our fees and will be disclosed by the firm that the trades are executed through. Also, clients will pay the following separately incurred expenses, which we do not receive any part of: charges imposed directly by a mutual fund, index fund, or exchange traded fund which shall be disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses).

D. We must disclose if client's advisory fees are due quarterly in advance. Explain how a client may obtain a refund of a pre-paid fee if the advisory contract is terminated before the end of the billing period. Explain how you will determine the amount of the refund.

We charge our advisory fees quarterly in advance. In the event that you wish to terminate our services, we will refund the unearned portion of our advisory fee to you. You need to contact us in writing and state that you wish to terminate our services. Upon receipt of your letter of termination, we will proceed to close out your account and process a pro-rata refund of unearned advisory fees.

E. Commissionable securities sales.

We sell securities for a commission. In order to sell securities for a commission, our supervised persons are registered representatives of SagePoint Financial, Inc. member FINRA/SIPC. Our supervised persons may accept compensation for the sale of securities or other investment products, including distribution or service ("trail") fees from the sale of mutual funds. You should be aware that the practice of accepting commissions for the sale of securities:

- 1) Presents a conflict of interest and gives our firm and/or our *supervised persons* an incentive to recommend investment products based on the compensation received, rather than on your needs. We generally address commissionable sales conflicts that arise:
 - a) when explaining to clients that commissionable securities sales creates an incentive to recommend products based on the compensation we and/or our supervised persons may earn and may not necessarily be in the best interests of the client;
 - b) when recommending commissionable mutual funds, explaining that "no-load" funds are available through our firm if the client wishes to become an investment advisory client.
- 2) In no way prohibits you from purchasing investment products recommended by us through other brokers or agents which are not affiliated with us.

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

We do not charge performance fees to our clients.

Item 7. Types of Clients and Account Requirements

We have the following types of clients:

- Individuals and High Net Worth Individuals;
- Trusts, Estates or Charitable Organizations;
- Pension and Profit Sharing Plans;
- Corporations, limited liability companies and/or other business types

Our requirements for opening and maintaining accounts or otherwise engaging us:

- We require a minimum account balance of \$100,000 for our services. Generally, this minimum account balance requirement is not negotiable and would be required throughout the course of the client's relationship with our firm.

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

A. Description of the methods of analysis and investment strategies we use in formulating investment advice or managing assets.

Methods of Analysis:

- Charting;
- Fundamental;
- Technical.

Investment Strategies we use:

- Long term purchases (securities held at least a year);
- Short term purchases (securities sold within a year);
- Option writing, including covered options, uncovered options or spreading strategies.

Please note:

Investing in securities involves risk of loss that *clients* should be prepared to bear. While the stock market may increase and your account(s) could enjoy a gain, it is also possible that the stock market may decrease and your account(s) could suffer a loss. It is important that you understand the risks associated with investing in the stock market, are appropriately diversified in your investments, and ask us any questions you may have.

B. Our practices regarding cash balances in *client* accounts, including whether we invest cash

balances for temporary purposes and, if so, how.

We generally invest client's cash balances in money market funds, FDIC Insured Certificates of Deposit, high-grade commercial paper and/or government backed debt instruments. Ultimately, we try to achieve the highest return on our client's cash balances through relatively low-risk conservative investments. In most cases, at least a partial cash balance will be maintained in a money market account so that our firm may debit advisory fees for our services related to our services, as applicable.

Item 9. Disciplinary Information

We are required to disclose whether there are legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management. There are a number of specific legal and disciplinary events that we must presume are material for this Item. If our advisory firm or a management person has been involved in one of these events, we must disclose it under this Item for ten years following the date of the event, unless (1) the event was resolved in our or the management person's favor, or was reversed, suspended or vacated, or (2) the event is not material. For purposes of calculating this ten-year period, the "date" of an event is the date that the final order, judgment, or decree was entered, or the date that any rights of appeal from preliminary orders, judgments or decrees lapsed.

The SEC and/or State Regulators have not provided us with an exclusive list of material disciplinary events, which need to be disclosed. If our advisory firm or a management person has been involved in a legal or disciplinary event that is not specifically required to be disclosed, but nonetheless is material to a client's or prospective client's evaluation of our advisory business or the integrity of our management, we must disclose the event. Similarly, even if more than ten years has passed since the date of the event, we must disclose the event if it is so serious that it remains currently material to a client's or prospective client's evaluation of our firm or management.

We have determined that our firm and management have nothing to disclose under the aforementioned standard.

Item 10. Other Financial Industry Activities and Affiliations

- A. Our firm or our management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer. The details are as follows:

Our firm's associated persons are registered representatives of SagePoint Financial, Inc., a diversified financial services company engaged in the sale of specialized investment products. Our firm and its associated persons may recommend securities or insurance products offered by SagePoint Financial, Inc. If our firm's client purchases these products through us, our firm and/or its associated persons will receive the normal commissions. Thus a conflict exists between my interest and those of our advisory clients. Our client is under no obligation to purchase products we recommend, or to purchase products either through us or

through SagePoint Financial, Inc. unless done in conjunction with an investment management program(s).

- B. Description of any relationship or arrangement that is material to our advisory business or to our *clients*, that we or any of our *management persons* have with any *related person*³ listed below. We are required to identify the *related person* and if the relationship or arrangement creates a material conflict of interest with *clients*, describe the nature of the conflict and how we address it.

Our firm's associated persons are licensed as insurance agents and securities salespersons, and in the business of selling insurance and securities products. Our firm is principally in the Investment Management and Asset allocation services business.

- C. If we recommend or select other investment advisers for our *clients* and we receive compensation directly or indirectly from those advisers, or we have other business relationships with those advisers, we are required to describe these practices and discuss the conflicts of interest these practices create and how we address them.

We have determined we have nothing to disclose in this regard.

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

- A. Brief description of our Code of Ethics adopted pursuant to SEC rule 204A-1 and offer to provide a copy of our Code of Ethics to any *client* or prospective *client* upon request.

We recognize that the personal investment transactions of members and employees of our firm demand the application of a high Code of Ethics and require that all such transactions be carried out in a way that does not endanger the interest of any client. At the same time, we believe that if investment goals are similar for clients and for members and employees of our firm, it is logical and even desirable that there be common ownership of some securities.

Therefore, in order to prevent conflicts of interest, we have in place a set of procedures (including a pre-clearing procedure) with respect to transactions effected by our members, officers and employees for their personal accounts⁴. In order to monitor compliance with our personal trading policy, we have a quarterly securities transaction reporting system for all of our associates.

³ Our **Related Persons** are any *advisory affiliates* and any *person* that is under common *control* with our firm. **Advisory Affiliate:** Our advisory affiliates are (1) all of our officers, partners, or directors (or any *person* performing similar functions); (2) all *persons* directly or indirectly *controlling* or *controlled* by us; and (3) all of our current *employees* (other than *employees* performing only clerical, administrative, support or similar functions). **Person:** A natural person (an individual) or a company. A company includes any partnership, corporation, trust, limited liability company ("LLC"), limited liability partnership ("LLP"), sole proprietorship, or other organization.

⁴ For purposes of the policy, our associate's personal account generally includes any account (a) in the name of our associate, his/her spouse, his/her minor children or other dependents residing in the same household, (b) for which our associate is a trustee or executor, or (c) which our associate controls, including our client accounts which our associate controls and/or a member of his/her household has a direct or indirect beneficial interest in.

Furthermore, our firm has established a Code of Ethics which applies to all of our associated persons. An investment adviser is considered a fiduciary. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. We have a fiduciary duty to all clients. Our fiduciary duty is considered the core underlying principle for our Code of Ethics which also includes Insider Trading and Personal Securities Transactions Policies and Procedures. We require all of our supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment or affiliation and at least annually thereafter, all supervised persons will sign an acknowledgement that they have read, understand, and agree to comply with our Code of Ethics. Our firm and supervised persons must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of our Code of Ethics. However, if a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided promptly upon request.

- B. If our firm or a *related person* invests in the same securities (or related securities, *e.g.*, warrants, options or futures) that our firm or a *related person* recommends to *clients*, we are required to describe our practice and discuss the conflicts of interest this presents and generally how we address the conflicts that arise in connection with personal trading.

See Item 11A of this Brochure. Related persons of our firm may buy or sell securities and other investments that are also recommended to clients. In order to minimize this conflict of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics, a copy of which is available upon request.

- C. If our firm or a *related person* recommends securities to *clients*, or buys or sells securities for *client* accounts, at or about the same time that you or a *related person* buys or sells the same securities for our firm's (or the *related person's* own) account, we are required to describe our practice and discuss the conflicts of interest it presents. We are also required to describe generally how we address conflicts that arise.

See Item 11A of this brochure. Related persons of our firm may buy or sell securities for themselves at or about the same time they buy or sell the same securities for client accounts. In order to minimize this conflict of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics, a copy of which is available upon request. Further, our related persons will refrain from buying or selling the same securities within 48 hours of buying or selling for our clients. If related persons' accounts are included in a block trade, our related persons will always trade personal accounts last.

Item 12. Brokerage Practices

- A. Description of the factors that we consider in selecting or recommending broker-dealers for *client* transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

As described in Item 10, our Advisory Representatives are also Registered Representatives of SagePoint, a FINRA registered broker-dealer. In order to meet its FINRA supervisory obligations, SagePoint requires that all investment advisory activities that we conduct be processed through SagePoint's clearing relationships with Pershing LLC ("Pershing"). As a result, we do not have the discretion to choose the broker-dealer or commission rates to be paid. However, we do believe that Pershing's blend of execution services, commission and transaction costs as well as professionalism will allow us to seek best execution and competitive prices.

We may aggregate your orders with those of other clients in a bunched trade or trades when securities are purchased or sold. For each account that we include in the bunched trade, we must reasonably believe that the bunched order is consistent with our duty to seek best execution and may benefit you and each client participating in the aggregated order. The average price per share of each bunched trade is allocated to each account that participates in the bunched trade. Accounts that participate in the same bunched trade are charged transaction costs, if applicable, in accordance with their advisory contracts.

If a bunched order cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated in a manner that is consistent with the initial pre-allocation. Partial fills will be allocated in a way that does not consistently advantage or disadvantage particular client accounts and are generally filled pro-rata among participating accounts.

Item 13. Review of Accounts or Financial Plans

- A. Review of *client* accounts or financial plans, along with a description of the frequency and nature of our review, and the titles of our *employees* who conduct the review.

We review accounts on at least a quarterly basis for our clients subscribing to our services. The nature of these reviews is to learn whether clients' accounts are in line with their investment objectives, appropriately positioned based on market conditions, and investment policies, if applicable. Only our Financial Advisors or Portfolio Managers will conduct reviews.

- B. Review of *client* accounts on other than a periodic basis, along with a description of the factors that trigger a review.

We may review client accounts more frequently than described above. Among the factors which may trigger an off-cycle review are major market or economic events, the client's life events, requests by the client, etc.

- C. Description of the content and indication of the frequency of written or verbal regular reports we provide to *clients* regarding their accounts.

We do not provide written reports to clients, unless asked to do so. Verbal reports to clients take place on at least an annual basis when we contact clients who subscribe to our services.

Item 14. Client Referrals and Other Compensation

- A. If someone who is not a *client* provides an economic benefit to our firm for providing investment advice or other advisory services to our *clients*, we must generally describe the arrangement. For purposes of this Item, economic benefits include any sales awards or other prizes.

As discussed previously, all our Advisory Representatives are Registered Representatives of SagePoint. This arrangement requires us to offer you advisory services and programs sponsored or approved by SagePoint. SagePoint sets limits on how much we can charge you for these advisory services. Some advisory programs have higher fee limits than others. As such, there may be an incentive for us to recommend to you advisory services or programs with higher limits. In addition, SagePoint may charge us certain usage fees and expenses to use their advisory programs which may decrease the amount of money we make when offering investment advice to you. Therefore, there may be an incentive to provide you with advisory programs and services that may be cheaper for us to use but not as suitable to your needs as other advisory programs that SagePoint sponsors which may be more expensive for us to use.

In addition, SagePoint offers our Advisory Representatives educational, training and incentive programs for those Advisory Representatives that meet certain sales production goals. There may be an incentive for us to manage your account in ways that assist us in meeting these production goals even if such strategies may not always be suitable for your account.

When we offer you a Wrap Account, the fee for transactions executed in your account are included in your quarterly account fee. However, SagePoint will still assess the transaction charges to us. This may influence us to charge you a higher quarterly account fee than we would otherwise charge you in an effort to recoup from you the transaction charges SagePoint charges us. We may also have incentive to trade your account less often to lessen our transaction fees or to trade your account with certain securities where SagePoint reduces or eliminates the transaction charges (such as the Focus Elite and FundVest Programs mentioned below) to us even if such trading strategies may not always be suitable for your account.

Our Advisory Representatives participate in the Focus Elite and FundVest Programs, provided by SagePoint. In these programs, transaction charges for purchasing securities that participate in these programs may be reduced or waived. This may provide us with incentive to invest your account in these securities over securities that do not participate in these programs to reduce our transaction costs even if such investments may not always be suitable for your account.

While our security sales are reviewed for suitability by an appointed supervisor, you should be aware of the incentives we have to sell certain securities products and are encouraged to ask us about any conflict presented.

- B. If our firm or a *related person* directly or indirectly compensates any *person* who is not our *employee* for *client* referrals, we are required to describe the arrangement and the compensation.

We do not pay referral fees (non-commission based) to independent solicitors (non-registered representatives) for the referral of their clients to our firm in accordance with Rule 206 (4)-3 of the Investment Advisers Act of 1940.

Item 15. Custody

- A. If we have *custody* of *client* funds or securities and a qualified custodian as defined in SEC rule 206(4)-2 or similar state rules (for example, a broker-dealer or bank) does not send account statements with respect to those funds or securities directly to our *clients*, we must disclose that we have *custody* and explain the risks that you will face because of this.

Not applicable, we do not maintain custody of your assets. Your account assets are maintained at Pershing, LLC.

Item 16. Investment Discretion

If we accept *discretionary authority* to manage securities accounts on behalf of *clients*, we are required to disclose this fact and describe any limitations our *clients* may place on our authority. The following procedures are followed before we assume this authority:

We may manage your accounts on a discretionary basis upon obtaining your consent. Your consent is typically granted and evidenced in the client agreement that you sign with us. We define discretion as: the ability to trade your account, without obtaining your prior consent, the securities and amount of securities to be bought or sold, and the timing of the purchase or sale. It does not extend to the withdrawal or transfer of your account funds.

Item 17. Voting Client Securities

- A. If we have, or will accept, proxy authority to vote *client* securities, we must briefly describe our voting policies and procedures, including those adopted pursuant to SEC Rule 206(4)-6.
We do not have the authority to vote proxies solicited by, or with respect to, the issuers of securities held in your account. Typically, proxy materials will be forwarded to you by our custodian. We will forward proxy materials that we may receive to you. Please contact us at any time with questions you may have regarding proxy solicitations.

Item 18. Financial Information

- A. If we require or solicit prepayment of more than \$1,200 in fees per *client*, six months or more in advance, we must include a balance sheet for our most recent fiscal year.

We do not require nor do we solicit prepayment of more than \$1,200 in fees per *client*, six months or more in advance. Therefore we have not included a balance sheet for our most recent fiscal year.

- B. If we are an SEC- registered adviser and have *discretionary authority* or *custody* of *client* funds or securities, or we require or solicit prepayment of more than \$1,200 in fees per *client*, six months or more in advance, we must disclose any financial condition that is reasonably likely to impair our ability to meet contractual commitments to *clients*.

We have nothing to disclose in this regard.

- C. If we have been the subject of a bankruptcy petition at any time during the past ten years, we must disclose this fact, the date the petition was first brought, and the current status.

We have nothing to disclose in this regard.