

Disclosure Brochure

September 26, 2012

GOODSTEIN & ASSOCIATES, LLC

a Registered Investment Adviser

540 Pennsylvania Avenue, Suite 323
Fort Washington, PA 19034

(215) 619-4635

www.goodsteinandassociates.com

This brochure provides information about the qualifications and business practices of Goodstein & Associates, LLC (hereinafter "G & A"). If you have any questions about the contents of this brochure, please contact Sandra E. Goodstein at (215) 619-4635. 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 Goodstein & Associates, LLC is available on the SEC's website at www.adviserinfo.sec.gov.

Goodstein & Associates, LLC is a state registered investment adviser. Registration does not imply any level of skill or training.

Item 2. Material Changes

In this Item, G & A is required to discuss the material changes that have been made to the brochure since the firm's last annual amendment filed March 22, 2011. There are no material changes to disclose in relation to this Item.

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Item 4. Advisory Business

Sandra Goodstein founded G & A in March 2004 on the principles of providing complete personal service, a single-minded dedication to understanding an individual's needs, and a determination to deliver unquestioned value.

G & A provides financial planning, consulting, and investment management services. Prior to engaging G & A to provide any of the foregoing investment advisory services, the client is required to enter into one or more written agreements with G & A setting forth the terms and conditions under which G & A renders its services (collectively the "*Agreement*").

As of January 30, 2012, G & A had \$70,749,830 in assets under management, all of which was managed on a discretionary basis.

This Disclosure Brochure describes the business of G & A. Certain sections will also describe the activities of *Supervised Persons*. *Supervised Persons* are any of G & A's officers, partners, directors (or other persons occupying a similar status or performing similar functions), or employees, or any other person who provides investment advice on G & A's behalf and is subject to G & A's supervision or control.

Financial Planning and Consulting Services

G & A may provide its clients with a broad range of comprehensive financial planning and consulting services. These services are tailored to the individual needs of the client. These services may be included as part of G & A's investment management services, described below.

In performing its services, G & A is not required to verify any information received from the client or from the client's other professionals (e.g., attorney, accountant, etc.) and is expressly authorized to rely on such information. G & A may recommend the services of itself, and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists if G & A recommends its own services. The client is under no obligation to act upon any of the recommendations made by G & A under a financial planning or consulting engagement or to engage the services of any such recommended professional, including G & A itself. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any of G & A's recommendations. Clients are advised that it remains their responsibility to promptly notify G & A if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating, or revising G & A's previous recommendations and/or services.

Investment Management Services

Clients can engage G & A to manage all or a portion of their assets on a discretionary basis. Currently, and as discussed below, all of G & A's investment management services are rendered as part of a wrap fee program.

G & A primarily allocates clients' investment management assets among mutual funds and exchange-traded funds ("ETFs") in accordance with the investment objectives of the client. In addition, G & A may recommend that clients who are "accredited investors" as defined under Rule 501 of the Securities Act of 1933, as amended, invest in private placement securities, which may include debt, equity, and/or pooled investment vehicles when consistent with the clients' investment objectives. G & A also provides advice about any type of investment held in clients' portfolios.

G & A also may render non-discretionary investment management services to clients relative to variable life/annuity products that they may own, their individual employer-sponsored retirement plans, and/or 529 plans or other products that may not be held by the client's primary custodian. In so doing, G & A either directs or recommends the allocation of client assets among the various investment options that are available with the product. Client assets are maintained at the specific insurance company or custodian designated by the product.

G & A tailors its advisory services to the individual needs of clients. G & A consults with clients initially and on an ongoing basis to determine risk tolerance, time horizon and other factors that may impact the clients' investment needs. G & A ensures that clients' investments are suitable for their investment needs, goals, objectives and risk tolerance.

Clients are advised to promptly notify G & A if there are changes in their financial situation or investment objectives or if they wish to impose any reasonable restrictions upon G & A's management services. Clients may impose reasonable restrictions or mandates on the management of their account (e.g., require that a portion of their assets be invested in socially responsible funds) if, in G & A's sole discretion, the conditions will not materially impact the performance of a portfolio strategy or prove overly burdensome to its management efforts.

Sponsor and Manager of Wrap Program

G & A is the sponsor and manager of the Goodstein & Associates Wrap Program (the "*Program*"), a wrap fee program. In the event the client participates in the *Program*, G & A provides its investment management services and arranges for brokerage transactions under a single annualized fee. Participants in the *Program* may pay a higher aggregate fee than if investment management and brokerage services are purchased separately. A complete description of the *Program's* terms and conditions (including fees) are contained in the *Program's* wrap fee brochure. There is no difference in how G & A manages accounts within the wrap program. Currently, all of G & A's investment management services are rendered as part of the *Program*.

Item 5. Fees and Compensation

G & A offers its services on a fee basis, which may include hourly and/or fixed fees, as well as fees based upon assets under management. Additionally, certain of G & A's *Supervised Persons*, in their individual capacities, may offer insurance products under a commission arrangement.

Financial Planning and Consulting Fees

G & A may charge a fixed fee and/or hourly fee for financial planning and consulting services. These fees are negotiable, but generally range from \$2,500 to \$25,000 on a fixed fee basis and/or from \$200 to \$300 on an hourly rate basis, depending upon the level and scope of the services and the professional rendering the financial planning and/or the consulting services. However, all accounts are subject to a minimum annual Financial Planning Fee of \$2,500. If the client engages G & A for additional investment advisory services, G & A may offset all or a portion of its fees for those services based upon the amount paid for the financial planning and/or consulting services.

Prior to engaging G & A to provide financial planning and/or consulting services, the client is required to enter into a written agreement with G & A setting forth the terms and conditions of the engagement. Generally, G & A requires one-half of the financial planning / consulting fee (estimated hourly or fixed) payable upon entering the written agreement. The balance is generally due upon delivery of the financial plan or completion of the agreed upon services.

Investment Management Fees

G & A provides investment management services exclusively through the *Program* for an annual fee based upon a percentage of the market value of the assets being managed by G & A.

G & A's annual fee is exclusive of transaction fees and other related costs and expenses which are incurred by the client. G & A does not, however, receive any portion of these commissions, fees, and costs. G & A's annual fee is prorated and charged quarterly, in arrears, based upon the average daily market value of the assets being managed by G & A during the prior quarter. The annual fee varies (between 0.50% and 1.50%) depending upon the market value of the assets under management of the client and the type of investment management services to be rendered.

G & A, in its sole discretion, may negotiate to charge a lesser management fee based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, *pro bono* activities, etc.).

Fees Charged by Financial Institutions

G & A may only implement its investment management recommendations after the client has arranged for and furnished G & A with all information and authorization regarding accounts with appropriate financial institutions. Financial institutions include, but are not limited to, the broker-dealers referenced in Item 12, any other broker-dealer recommended by G & A, broker-dealer directed by the client, trust companies, banks etc. (collectively referred to herein as the “*Financial Institutions*”).

Clients may incur certain charges imposed by the *Financial Institutions* and other third parties such as custodial fees, charges imposed directly by a mutual fund or ETF in the account, which are disclosed in the fund’s prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Additionally, for assets outside of any wrap fee programs, clients may incur brokerage commissions and transaction fees. Such charges, fees and commissions are exclusive of and in addition to G & A’s fee.

Fee Debit

G & A’s *Agreement* and the separate agreement with any *Financial Institutions* may authorize G & A to debit the client’s account for the amount of G & A’s fee and to directly remit that management fee to G & A. Any *Financial Institutions* recommended by G & A have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to G & A. G & A also sends to clients a written invoice itemizing the fee, including the formula used to calculate the fee, the time period covered by the fee and the amount of assets under management on which the fee was based. Alternatively, clients may elect to have G & A send a separate invoice for direct payment.

Fees for Management During Partial Quarters of Service

For the initial period of investment management services, the fees are calculated on a *pro rata* basis. The *Agreement* between G & A and the client will continue in effect until terminated by either party pursuant to the terms of the *Agreement*. G & A’s fees are prorated through the date of termination and any remaining balance is charged or refunded to the client, as appropriate.

Clients may make additions to and withdrawals from their account at any time, subject to G & A’s right to terminate an account. Additions may be in cash or securities provided that G & A reserves the right to liquidate any transferred securities or decline to accept particular securities into a client’s account. Clients may withdraw account assets on notice to G & A, subject to the usual and customary securities settlement procedures. However, G & A designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client’s investment objectives. G & A may consult with its clients about the options and ramifications of transferring securities. However, clients are advised

that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications.

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

G & A does not provide any services for performance-based fees. Performance-based fees are those based on a share of capital gains on or capital appreciation of the assets of a client.

Item 7. Types of Clients

G & A provides its services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and business entities.

In addition, for financial planning services G & A imposes a minimum annual fee of \$2,500. G & A, in its sole discretion, may waive its minimum annual fee based upon certain criteria including anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, and *pro bono* activities.

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

Methods of Analysis

G & A's primary methods of analysis are fundamental and cyclical.

Fundamental analysis involves the fundamental financial condition and competitive position of a company. G & A will analyze the financial condition, capabilities of management, earnings, new products and services, as well as the company's markets and position amongst its competitors in order to determine the recommendations made to clients. The primary risk in using fundamental analysis is that while the overall health and position of a company may be good, market conditions may negatively impact the security.

Cyclical analysis is similar to technical analysis in that it involves the analysis of market conditions at a macro (entire market/economy) or micro (company specific) level, rather than the overall fundamental analysis of the health of the particular company that G & A is recommending. The risks with cyclical analysis are similar to those of technical analysis.

Investment Strategies

The foundation of G & A's comprehensive process is built on the understanding that each and every client requires a personalized asset allocation plan. It is G & A's strong belief that by using a variety of asset classes, it creates a large measure of overall portfolio protection when economic and market conditions turn turbulent.

G & A uses asset allocation software to develop a personalized asset allocation design for each client. The asset allocation incorporates clients' goals, tax positions, time frame, and risk tolerance. G & A primarily utilizes mutual funds and ETFs to implement a portfolio for a client, but may incorporate other types of securities. G & A reviews the portfolios on an ongoing basis and generally rebalances them semi-annually when it reviews and updates the client's financial plan. Clients' portfolios may be updated more frequently based on market conditions or changes to an individual client's needs.

Risks of Loss

Mutual Funds and Exchange Traded Funds (ETFs)

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed-based ETFs and more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 50,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

Market Risks

The profitability of a significant portion of G & A's recommendations may depend to a great extent upon correctly assessing the future course of price movements of stocks and bonds. There can be no assurance that G & A will be able to predict those price movements accurately.

General Risk of Loss

Investing in securities involves the risk of loss. Clients should be prepared to bear such loss.

Item 9. Disciplinary Information

G & A is required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of management. G & A does not have any required disclosures to this Item.

Item 10. Other Financial Industry Activities and Affiliations

G & A is required to disclose any relationship or arrangement that is material to its advisory business or to its clients with certain related persons. G & A has described such relationships and arrangements below.

Receipt of Insurance Commission

Certain of G & A's *Supervised Persons*, in their individual capacities, are also licensed insurance agents with various insurance companies, and in such capacity, may recommend, on a fully-disclosed commission basis, the purchase of certain insurance products. While G & A does not sell such insurance products to its investment advisory clients, G & A does permit its *Supervised Persons*, in their individual capacities as licensed insurance agents, to sell insurance products to its investment advisory clients. A conflict of interest exists to the extent that G & A recommends the purchase of insurance products where G & A's *Supervised Persons* receive insurance commissions or other additional compensation.

Item 11. Code of Ethics

G & A and persons associated with G & A ("Associated Persons") are permitted to buy or sell securities that it also recommends to clients consistent with G & A's policies and procedures.

G & A has adopted a code of ethics ("*Code of Ethics*") made up of its personal securities transaction and insider trading policies and procedures. When G & A is purchasing or considering for purchase any security on behalf of a client, no *Covered Person* (as defined below) may effect a transaction in that security prior to the completion of the purchase or until a decision has been made not to purchase such security. Similarly, when G & A is selling or considering the sale of any security on behalf of a client, no *Covered Person* may effect a transaction in that security prior to the completion of the sale or until a decision has been made not to sell such security.

Unless specifically defined in G & A's procedures, neither G & A nor any of G & A's associated persons may effect for himself or herself, for an associated person's immediate family (e.g., spouse, minor children, and adults living in the same household as the associated person), or for trusts for which the associated person serves as a trustee or in which the associated person has a beneficial interest (collectively "*Covered Persons*"), any transactions in a security which is being actively purchased or sold, or is being considered for purchase or sale, on behalf of any of G & A's clients.

The foregoing policies and procedures are not applicable to:

- Transactions effected in any account over which neither G & A nor any of its *Supervised Persons* has any direct or indirect influence or control; and
- Transactions in securities that are: direct obligations of the government of the United States; bankers' acceptances, bank certificates of deposit, commercial paper, and high quality short-term debt instruments, including repurchase agreements; or shares issued by registered open-end investment companies.

This policy has been established recognizing that some securities being considered for purchase and sale on behalf of G & A's clients trade in sufficiently broad markets to permit transactions by clients to be completed without any appreciable impact on the markets of such securities. Under certain limited circumstances, exceptions may be made to the policies stated above. G & A will maintain records of these trades, including the reasons for any exceptions.

In accordance with applicable rules and regulations, G & A also maintains and enforces written policies reasonably designed to prevent the unlawful use of material non-public information by G & A or any of its *Supervised Persons*.

Clients and prospective clients may contact G & A to request a copy of its *Code of Ethics*.

Item 12. Brokerage Practices

G & A generally recommends the brokerage services of Pershing, LLC ("*Pershing*") and/or TD Ameritrade, Inc. ("*TD Ameritrade*"). *Pershing* and *TD Ameritrade* are SEC registered broker-dealers and members FINRA/SIPC/NFA, and are not affiliated with G & A. *Pershing* and *TD Ameritrade* offer to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions.

Factors which G & A considers in recommending *Pershing*, *TD Ameritrade* or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. *Pershing* enables G & A to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by *Pershing* and/or *TD Ameritrade* may be higher or lower than those charged by other *Financial Institutions*.

The commissions charged by *Pershing* may be higher than another qualified *Financial Institution* might charge to effect the same transaction where G & A determines that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a *Financial Institution's* services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. G & A seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

G & A periodically and systematically reviews its policies and procedures regarding its recommendation of *Financial Institutions* in light of its duty to obtain best execution.

The client may direct G & A in writing to use a particular *Financial Institution* to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that *Financial Institution*, and G & A will not seek better execution services or prices from other *Financial Institutions* or be able to "batch" client transactions for execution through other *Financial Institutions* with orders for other accounts managed by G & A (as described below). As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, G & A may decline a client's request to direct brokerage if, in G & A's sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

Transactions for each client generally will be effected independently, unless G & A decides to purchase or sell the same securities for several clients at approximately the same time. G & A may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among G & A's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among G & A's

clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that G & A determines to aggregate client orders for the purchase or sale of securities, including securities in which G & A's *Supervised Persons* may invest, G & A generally does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. G & A does not receive any additional compensation or remuneration as a result of the aggregation. In the event that G & A determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a *de minimis* allocation in one or more accounts, G & A may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker-dealers in return for investment research products and/or services which assist G & A in its investment decision-making process. Such research generally will be used to service all of G & A's clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client's portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because G & A does not have to produce or pay for the products or services.

Software and Support Provided by Financial Institutions

G & A may receive from *Pershing* and/or *TD Ameritrade*, without cost to G & A, computer software and related systems support, which allow G & A to better monitor client accounts maintained at *Pershing* and/or *TD Ameritrade*. G & A may receive the software and related support without cost because G & A renders investment management services to clients that maintain assets at *Pershing* and/or *TD Ameritrade*. The software and related systems support may benefit G & A, but not its clients directly. These benefits are not tied directly to client account transactions (i.e., not "soft dollars"). In fulfilling its duties to its clients, G & A endeavors at all times to put the interests of its clients first. Clients should be aware, however, that G & A's receipt of economic benefits from a broker-dealer creates a conflict of

interest since these benefits may influence G & A's choice of broker-dealer over another broker-dealer that does not furnish similar software, systems support, or services.

Pershing Advisor Solutions

G & A may receive the following benefits from *Pershing* through its Pershing Advisor Solutions division: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its Pershing Advisor Solutions participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information.

TD Ameritrade Institutional Program

G & A participates in the TD Ameritrade Institutional program offered through TD Ameritrade Institutional, a division of *TD Ameritrade*. There is no direct link between G & A's participation in this program and the investment advice it gives to its clients, although the firm does receive economic benefits that are not otherwise available to retail investors. These benefits include the following products and services (provided without cost or at a discount):

- Receipt of duplicate client statements and confirmations;
- Research related products and tools;
- Consulting services;
- Access to a trading desk serving TD Ameritrade Institutional clients;
- Access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to clients' accounts);
- Access to an electronic communications network for client order entry and account information;
- Access to mutual funds with no transaction fees and to certain institutional money managers;
- Discounts on compliance, marketing, research, technology and practice management products or services provided by third-party vendors; and
- Business consulting and professional services received by the firm's related persons.

Some of the products and services made available by *TD Ameritrade* may benefit G & A but may not benefit its clients' accounts. These products or services may assist G & A in managing and administering client accounts, including accounts not maintained at *TD Ameritrade*. Other services made available by *TD Ameritrade* are intended to help the firm manage and further develop its business enterprise. The benefits received by G & A or its *Supervised Persons* through *TD Ameritrade's* program do not depend on the amount of brokerage transactions directed to *TD Ameritrade*. As part of its fiduciary duties to clients, G & A endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by G & A or its related persons in and of itself creates a potential conflict

of interest and may indirectly influence G & A's choice of *TD Ameritrade* for custody and brokerage services.

Item 13. Review of Accounts

Account Reviews

For those clients to whom G & A provides investment management services, G & A monitors those portfolios as part of an ongoing process while regular account reviews are conducted on at least a quarterly basis. For those clients to whom G & A provides financial planning and/or consulting services, reviews are conducted on an “as needed” basis. Such reviews are generally conducted by the Principal of G & A, Sandra E. Goodstein, but may also be conducted by an investment adviser representative under her supervision. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with G & A and to keep G & A informed of any changes thereto. G & A contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client’s financial situation and/or investment objectives.

General Reports and Statements

Unless otherwise agreed upon, clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian for the client accounts. Those clients to whom G & A provides investment advisory services will also receive a report from G & A that may include such relevant account and/or market-related information such as an inventory of account holdings and account performance on a semi-annual basis. Clients should compare the account statements they receive from their custodian with those they receive from G & A.

Financial Planning and Consulting Reports

Those clients to whom G & A provides financial planning and/or consulting services will receive reports from G & A summarizing its analysis and conclusions as requested by the client or otherwise agreed to in writing by G & A.

Item 14. Client Referrals and Other Compensation

No Solicitors or Other Economic Benefits

G & A does not provide any direct or indirect compensation for client referrals.

Other Economic Benefits

G & A may receive economic benefits from non-clients for providing advice or other advisory services to clients. This type of relationship poses a conflict of interest and any such relationship is disclosed in response to Item 12, above.

Item 15. Custody

G & A's *Agreement* and/or the separate agreement with any *Financial Institution* may authorize G & A through such *Financial Institution* to debit the client's account for the amount of G & A's fee and to directly remit that management fee to G & A in accordance with applicable custody rules.

The *Financial Institutions* recommended by G & A have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to G & A. In addition, as discussed in Item 13, G & A also sends periodic supplemental reports to clients. Clients should carefully review the statements sent directly by the *Financial Institutions* and compare them to those received from G & A.

Item 16. Investment Discretion

G & A is given the authority to exercise discretion on behalf of clients. G & A is considered to exercise investment discretion over a client's account if it can effect transactions for the client without first having to seek the client's consent. G & A is given this authority through a power-of-attorney included in the agreement between G & A and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). G & A takes discretion over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold; and
- When transactions are made.

Item 17. Voting Client Securities

G & A is required to disclose if it accepts authority to vote client securities. G & A does not vote client securities on behalf of its clients. Clients receive proxies directly from the *Financial Institutions* and may contact G & A to discuss any such proxies or other corporate initiatives.

Item 18. Financial Information

G & A is not required to disclose any financial information pursuant to this Item due to the following:

- The firm does not require or solicit the prepayment of more than \$500 in fees six months or more in advance;
- The firm does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; and
- The firm has not been the subject of a bankruptcy petition at any time during the past ten years.

Item 19. Requirements for State Registered Investment Advisers

Principal Executive Officers and Management Persons

SANDRA E. GOODSTEIN

Born 1951

Post-Secondary Education

American College | Masters, Financial Services | 1986

Temple University | BS, Communications & Theater | 1972

Recent Business Background

Goodstein & Associates, LLC | Principal | March 2004 – Present

H. Beck, Inc. | Registered Representative | March 2004 – April 2011

Performance Based Fees

Neither the firm nor its management persons provide any services for performance based fees, as discussed in Item 6.

Civil and Administrative Proceedings

Neither the firm nor its management persons have been subject to an award or otherwise found liable in an action involving a violation of any investment related statute.

Relationships with Issuers

Neither the firm nor its management persons have a relationship with any issuer of securities.

GOODSTEIN & ASSOCIATES, LLC

a Registered Investment Adviser

540 Pennsylvania Avenue, Suite 323
Fort Washington, PA 19034

(215) 619-4635

www.goodsteinandassociates.com

Prepared by:



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The Adviser's Advisor®