

FocusPoint Solutions, Inc.

Part 2A of Form ADV - Brochure

FOCUSPOINT SOLUTIONS, INC.

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This Brochure provides information about the qualifications and business practices of FocusPoint Solutions, Inc. If you have any questions about the contents of this Brochure, you may contact us at (503) 445-1957 or info@focuspointsolutions.com to obtain answers and additional information. FocusPoint Solutions, Inc. is a registered investment adviser with the United States Securities and Exchange Commission ("SEC"). Registration of an investment adviser does not imply any level of skill or training. The information in this Brochure has not been approved or verified by the SEC or by any state securities authority.

Additional information about FocusPoint Solutions, Inc. is available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for FocusPoint Solutions, Inc. is 131195.

Item 2 Material Changes

The date of our last annual update of our Brochure was January 31, 2012.

When required, we will ensure that our RIA Firm clients receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. A Summary of Material Changes is also included with our Brochure on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for FocusPoint Solutions, Inc. is 131195. Any Summary of Material Changes will be listed as "Exhibit A" to our Brochure. We may further provide other ongoing disclosure information about material changes as necessary and will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting us at (503) 445-1957 or info@focuspointsolutions.com. Our Brochure is provided free of charge.

Item 3 Table of Contents

	<u>Page</u>
Item 1 Cover Page.....	1
Item 2 Material Changes.....	2
Item 3 Table of Contents	3
Item 4 Advisory Business	4
Item 5 Fees and Compensation.....	6
Item 6 Performance-based Fees and Side-by-Side Management.....	8
Item 7 Types of Clients	8
Item 8 Methods of Analysis, Investment Strategies and Risk of Loss.....	8
Item 9 Disciplinary Information	11
Item 10 Other Financial Industry Activities and Affiliations.....	11
Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading...	12
Item 12 Brokerage Practices.....	13
Item 13 Review of Accounts.....	15
Item 14 Client Referrals and Other Compensation.....	16
Item 15 Custody.....	16
Item 16 Investment Discretion.....	16
Item 17 Voting Client Securities.....	17
Item 18 Financial Information.....	17
Ex. A Summary of Material Changes	Ex. A - 1

Item 4 Advisory Business

FocusPoint Solutions, Inc. (“FPS”) is a SEC registered investment advisory firm located in Portland, Oregon. We provide non-discretionary sub-advisory services, turnkey asset management services and business solutions to both non-affiliated and affiliated registered investment advisory firms (collectively “RIA Firms”). We also provide discretionary sub-advisory services to an affiliated registered investment advisory firm. We provide services to both existing RIA Firms as well as to RIA Firms who wish to transition their business from a commission-based model to a fee-based model. In either circumstance, FPS primarily operates transparently behind the scenes to support the RIA Firms in building and operating an efficient business.

The firm has been in business since 2004 and registered with the SEC since 2004. The principal owner of the firm is Christopher K. Hicks.

FPS offers the following services as a part of the turnkey business solution:

Asset management – We provide numerous asset allocation model portfolios based upon Modern Portfolio Theory. Our approach uses broadly diversified portfolios and a systematic strategy to manage investments. Our Asset Allocation Portfolios primarily include mutual funds. However, we may also utilize other investments such as exchange-traded funds, exchange-listed equity securities, certificates of deposit, municipal securities, U.S. government securities and money market funds when suitable and appropriate. Additionally, we support RIA Firms with research, due diligence, reporting and portfolio analysis. See Item 8 for a description of the investment strategy.

These models are designed with varying risk return characteristics using multiple asset classes. The RIA Firms may elect to utilize these models to manage their clients’ (an “End Client”) accounts. We provide detailed research and analysis on the model portfolios and communicate on a systematic daily, weekly, monthly, and quarterly basis with RIA Firms. When acting as a non-discretionary sub-advisor, we make periodic recommendations regarding changes in the models for the RIA Firm’s consideration. We do not directly provide advisory services to, or have any direct relationship with the RIA Firm End Clients. We do not have discretionary authority over and do not manage the accounts on behalf of those End Clients. FPS, upon instructions from the RIA Firm, will transmit appropriate instructions of changes to the custodian. Through their RIA Firm, End Clients may impose reasonable restrictions on investing in certain securities or types of securities.

Individual advice and services are tailored by RIA Firms to the stated objectives of their End Client. The RIA Firm discusses with an End Client in detail critically important information such as their risk tolerance, time horizon, and projected future needs, to formulate an investment policy. The RIA Firm sends instructions to us in accordance with this policy which objectively and suitably guides the management of the End Client’s account. RIA Firms meet with End Clients as needed to review portfolio performance, discuss current issues, and re-assess goals and plans.

Fully outsourced virtual back office - We handle all initial account setup including tracking and follow-up of incoming transfers. On an ongoing basis, we handle all distributions, downloading, reconciliation, trading and rebalancing. The RIA Firm has access to all End Client investment account information, including reporting capability, through this web-based system.

End Clients of RIA Firms authorize them to use us to service their account, including billing and the deduction of fees. Those End Clients agree to allow the RIA Firm to share non-public, personal information with us for the purpose of administering and managing their account. RIA Firms require us to execute a confidentiality agreement and not share their End Clients' information with any unauthorized person or entity. The use of FPS will not cause End Clients to incur any additional fees. We deduct our fee from the total advisory fee charged to an End Client by the RIA Firm. RIA Firms' fee schedules are disclosed to their End Clients in their Brochures

Training and presentation materials— We provide the RIA Firm with training on Modern Portfolio Theory and on presentation materials to use with End Clients to teach this concept. The RIA Firm has access to run customized client presentations including an Investment Policy Statement.

Business consulting – We work with the RIA Firm to help them develop an efficient business strategy. Areas of focus include improving time management and productivity, leveraging technology, increasing profitability, and creating more free time.

Strategic alliances – Through exclusive arrangements with various experts, we make available a support network to RIA Firms for marketing, compliance, and financial planning case writing.

We do not manage Wrap Fee programs.

We manage approximately \$987,600,000 of assets on a non-discretionary basis and approximately \$69,300,000 of assets on a discretionary basis. These amounts were calculated as of April 30, 2012.

Item 5 – Fees and Compensation

We provide services to RIA Firms primarily under the following tiered fee schedule:

Maximum Annual FPS Fees:

- .55% on assets up to \$10,000,000
- .50% on assets between \$10,000,001 - \$15,000,000
- .45% on assets between \$15,000,001 - \$20,000,000

RIA Firms with over \$20,000,000 in assets are charged a flat .45% on all assets. Notwithstanding the above, fees are generally negotiable.

The RIA Firm must obtain authorization from the End Client to deduct fees from their accounts. The RIA Firm then assigns this right to us. As a part of our service to RIA Firms, we will bill the custodian and deduct the RIA Firm's fee from End Client accounts. Payment of fees may result in the liquidation of End Client's securities if there is insufficient cash in the account. We then deduct our fee from the total and forward the balance to the RIA Firm. Fees are generally charged quarterly in arrears to RIA Firms. The FPS fee is based on the market value of the End Client's account on the last trading day of the prior quarter. That said, FPS may adapt its fee process as needed to better accommodate how the RIA Firm calculates its own advisory fees. (For example, if an RIA Firm calculates and bills its advisory fees in advance, FPS may alter its billing process to match and therefore also bill in advance to be consistent with the RIA Firm's process.) If a process other than the above stated arrears process (using the market value of the End Client's account on the last trading day of the prior quarter) is to be used, FPS will discuss this procedural change with RIA Firms prior to implementation.

Market value includes all account values and transaction information as of the end of each quarter (not adjusted by any margin debit). To determine value, securities and other instruments traded on a market for which actual transaction prices are publicly reported are generally valued at the last reported sale price on the principal market in which they are traded. Mutual Funds are only valued once per day after the close of the market. Whenever valuation information for specific, illiquid, foreign, private or other investments is not available through pricing services or custodians, FocusPoint Solutions, Inc.'s approach will be to value at zero. We do this in order to not overvalue a position which could potentially over inflate billing calculations. Alternatively, we may also seek to obtain and document price information from at least one independent source, whether it be a broker-dealer, bank, pricing service or other source.

The quarterly fee will be equal to the annual rate, times the market value of the account, divided by four. Fees for a partial quarter at the commencement or termination of an agreement will be prorated based on the number of days the account was open during the quarter. Quarterly fee adjustments for additional assets received into an account during a quarter or for partial withdrawals may also be provided as negotiated. We may modify the terms of the fee agreement by giving our RIA Firm clients 30 days written notice in advance.

RIA Firms will pay us a one-time set-up fee of up to \$100 per account. RIA Firms also pay FPS a quarterly fee up to \$37.50 per account towards administrative services provided by FPS. Additionally, we provide RIA Firms, through a virtual office system, a quarterly invoice showing the value of the assets, amount of the fee, and how the fee was calculated. A technology fee will be charged to RIA Firms for access to this virtual office system. Any fees we charge RIA Firms are fully disclosed in our service agreements.

RIA Firms do not pay any commissions or trading fees on any discretionary trades initiated by us. However, RIA Firms will be charged up to \$35.00 as an administrative fee by us for any RIA Firm (or End Client) directed trades. Notwithstanding the above, fees are generally negotiable.

RIA Firms generally pay all FPS services fees quarterly in arrears. Upon termination of any account, any fees which have been earned by us but not yet paid will be immediately due and payable. Any prepaid fees which remain unearned will be refunded. Whether fees have been earned or unearned will be made in the sole discretion of FPS.

All service agreements may be terminated by providing us with 30 day advance written notice. Upon termination, RIA Firm is responsible for all applicable charges including, but not limited to, full quarterly service and account administrative fees.

Instead of managing a small select group of individual stocks as the investment vehicle for the large cap position in our recommended portfolios, we determined that it would more efficient and effective to execute this stock strategy through the use of a highly focused mutual fund employing the same strategy we would have used to execute the stock picking strategy. To do so, an affiliated investment advisory firm, Three G Financial, LLC ("Three G"), was formed to allow us to execute this strategy. Three G provides investment supervisory services for compensation to the Generations Multi-Strategy Fund (the "Fund"), an investment company registered under the Investment Company Act of 1940. In exchange for these services, Three G charges an annual management fee equal to 0.85% of the Fund's average daily net assets. FPS has contracted with Three G to manage the Fund through a sub-advisory agreement. FPS provides investment research, coordination of executing the purchase and sale of securities, and substantial operational support. We also furnish at our own expense, all necessary administrative services, office space, equipment and personnel for managing the investments of the fund. Under the sub-advisory agreement we receive an annual fee equal to 0.25% of the Fund's average daily net assets. This fee is paid to us by Three G from the revenue it receives from their 0.85% annual management fee.

FPS, as a non-discretionary sub-advisor making periodic recommendations for our RIA Firms' consideration, may recommend the Fund. Although we believe the management fee paid to Three G and the sub-advisory fee paid to FPS are normal and customary and comparable to the fees charged by other similar style funds and sub advisory arrangements, this type of recommendation does create conflicts of interest. We disclose to RIA Firms that these compensation arrangements are in addition to the compensation we receive from RIA Firms for the services we provide. Additionally, we have an

incentive to recommend the Fund because Three G receives compensation based on assets placed in the Fund. However, the Fund is subjected to the same disciplined investment due diligence process which includes regular reviews and evaluation of the merits of each mutual fund utilized in asset allocation portfolios.

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

We do not charge any performance-based fees for our services or engage in side-by-side management. Accordingly, this item is not applicable to our firm.

Item 7 – Types of Clients

We provide primarily non-discretionary sub-advisory services, turnkey asset management services and business solutions to RIA Firms. We do not provide advisory services directly to any End Clients of those RIA Firms. The RIA Firm has the sole responsibility of providing investment advice to their End Clients.

We also provide discretionary sub-advisory services to an affiliated registered investment advisory firm. See Item 10 (below) for information regarding our Affiliated Entities.

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

We create broadly diversified portfolios in the worldwide fixed-income and equity markets, combined with periodic rebalancing. RIA Firms complete a statement of investment policy with their End Client, outlining the investment philosophy, management procedures, and long-term goals. Portfolio design is tailored by RIA Firms to each End Client's risk tolerance and preferences. Fixed income and cash parts of portfolios emphasize safety of principal.

Types of Investments

As part of our core investment approach, we offer advice on investments primarily including mutual funds. However, we may also utilize other investments such as: exchange-traded funds, equity securities, debt securities, certificates of deposit, municipal securities, U.S. government securities and money market funds when suitable and appropriate..

Each type of security has its own unique set of risks associated with it, and it would not be possible to disclose all of the specific risks of every type of investment in this brochure. If our RIA Firm clients have any questions regarding the risks associated with a particular investment, they are encouraged to contact us.

Mutual funds are professionally managed collective investment companies that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual or exchange traded funds, other securities or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. Other fund risks include foreign securities and currency risk, emerging markets risk, small-cap, mid-cap and large-cap risk, trading risk, and turnover risk that can increase fund expenses and may decrease fund performance. Brokerage and transactions costs incurred by the fund will reduce returns.

ETFs are investment funds traded on stock exchanges, much like stocks or equities. An ETF holds assets such as stocks, commodities, or bonds and trades at approximately the same price as the net asset value of its underlying assets over the course of the trading day. Most ETFs track an index, such as the S&P 500. However, some ETFs are fully transparent actively managed funds. Market risk is, perhaps, the most significant risk associated with ETFs. This risk is defined by the day to day fluctuations associated with any exchange traded security, where fluctuations occur in part based on the perception of investors.

Individual equity securities (also known simply as “equities” or “stock”) are assessed for risk in numerous ways. Price fluctuations and market risk are the most significant risk concerns. As such, the value of your investment can increase or decrease over time. Furthermore, you should understand that stock prices can be affected by many factors including, but not limited to, the overall health of the economy, the health of the market sector or industry of the issuing company, and national and political events. When investing in stock, it is important to focus on the average returns achieved over a given period of time, across a well-diversified portfolio.

Individual debt securities (or “bonds”) are typically safer investments than equity securities, but their risk can also vary widely based on: the financial health of the issuer; the risk that the issuer might default; when the bond is set to mature; and, whether or not the bond can be “called” prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same rate of return.

Primarily we invest with a focus on Long Term Purchases, where securities are purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year. Sometimes we will employ a Short Term Purchase strategy where securities are purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities’ short term price fluctuations. Short-term trading (in general, selling securities within 30 days of purchasing the same securities) is not a fundamental part of our overall investment strategy.

Methods of Analysis

We may use one or more of the following methods of analysis when formulating investment advice:

Top-Down Global Macro-Economic Analysis involves a big-picture analysis of the prevailing economic, demographic and social trends followed by a more focused analysis at the country level, then the industry level and ultimately the specific security level.

Mutual Fund/Exchange Traded Fund Analysis involves qualitative analysis looking at factors such as the background and experience of the fund manager and/or the fund company (style, consistency, risk-adjusted performance, management expenses, average daily trading volume, etc.).

Fundamental analysis involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages. This type of analysis concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

Investment Risk of Loss

As indicated in the descriptions above, investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate Clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

Except as may otherwise be provided by law, we are not liable to RIA Firm clients (or their End Clients) for:

- Any loss that a RIA Firm (or their End Client) may suffer by reason of any investment decision made or other action taken or omitted in good faith by us with that degree of care, skill, prudence and diligence under the circumstances that a prudent person acting in a fiduciary capacity would use;
- Any loss arising from our adherence to a RIA Firm's (or their End Client's) instructions, or the disregard of our recommendations made to a RIA Firm client; or
- Any act or failure to act by a custodian or other third party to a RIA Firm's End Client account.

It is the responsibility of the RIA Firm to make sure we are provided complete information and to notify us of any changes in financial circumstances or goals of their End Client.

Item 9 – Disciplinary Information

We are required to disclose all material facts regarding any legal or disciplinary event that would be material to your evaluation of our firm, or the integrity of our management. No principal or person associated with our firm has any information to disclose which is applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

Affiliated Entities:

We are affiliated through common ownership and control with CS Planning Corp. (“CSP”), The H Group, Inc. (“THG”) and Three G Financial, LLC (“Three G”). CSP, Three G, THG, and FPS are all under common control of Christopher K. Hicks who is considered a control person of each firm because he holds more than 25% ownership interest in each firm.

CSP is an investment advisor registered with the Securities and Exchange Commission. CSP offers a wide range of financial planning and investment advisory services through numerous advisor affiliates to the firm.

THG is an investment advisor registered with the Securities and Exchange Commission. THG offers a wide range of financial planning and investment advisory services through numerous advisory affiliates to the firm.

Three G is an investment advisor registered with the Securities and Exchange Commission. Three G provides investment supervisory services for compensation to investment companies registered under the Investment Company Act of 1940. FPS acts as a sub-advisor to Three G. The conflicts of interest this arrangement presents with our Clients and how we mitigate those conflicts are disclosed in Item 5E (above).

Other Investment Managers:

On occasion, we may recommend and engage unaffiliated sub-advisors who provide customized investment portfolio management services. These services may include the construction of investment portfolios, execution of securities purchase and sale transactions, and portfolio administration, including tracking of and reporting on portfolio performance and investment results.

We are authorized by RIA Firms to share non-public, personal information with sub-advisors for the purpose of managing portfolios. However we require any sub-advisor to execute a confidentiality agreement and not share non-public personal information with any unauthorized person or entity.

RIA Firms and/or their End Clients are generally required to enter into a separate advisory agreement with any sub-advisor. The use of sub-advisors may cause RIA Firms or their End Clients to incur additional fees. If applicable, any additional fees will be disclosed in a separate agreement with the sub-advisor.

Item 11 – Code of Ethics, Participation or Interest in *Client* Transaction & Personal Trading

We have a Code of Ethics which all employees are required to follow. The Code of Ethics outlines our high standard of business conduct, and fiduciary duty to our Clients. The Code of Ethics includes provisions relating to the confidentiality of Client information, a prohibition on insider trading, personal securities trading procedures, improper use of Firm property, and diversion of investment and business opportunities, among other things.

A copy of the code of ethics is available to any Client or prospective Client upon request by contacting us at (503) 445-1957 info@focuspointsolutions.com. Brochures are provided free of charge.

FPS acts as a sub-advisor and Three G provides investment supervisory services to an investment company (the "Fund"). The conflicts of interest this arrangement presents and how we mitigate those conflicts are disclosed in Item 5E (above).

FPS or individuals associated with our firm may buy and sell some of the same securities for their own account that we buy and sell for the End Clients of RIA Firms. Generally we will purchase or sell securities for these End Clients before purchasing or selling the same for our account or allowing representatives to purchase or sell the same for their own account. However, we do allow the accounts of employees to be included in block trading alongside the accounts for RIA Firms and their End Clients. Further, the accounts of certain End Clients may not be included in a trade if the RIA Firm directs us not to include such accounts. In some cases we or our representatives may buy or sell securities for our own account for reasons not related to the strategies adopted for the RIA Firms we work with. Our employees are required to follow the Code of Ethics when making trades for their own accounts in securities which are recommended to and/or purchased for the RIA Firm accounts. The Code of Ethics is designed to assure that the personal securities transactions will not interfere with decisions made in the best interest of our RIA Firm clients while at the same time, allowing employees to invest their own accounts.

In the event a material conflict of interest not already discussed in this document should arise, we will disclose to our RIA Firm clients any material conflict of interest relating to us, our representatives, or any of our employees which could reasonably be expected to impair the rendering of unbiased and objective advice.

As any advisory situation could present a conflict of interest, we have established the following restrictions to ensure our fiduciary responsibilities:

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- A director, officer, associated person, or employee of FPS shall not buy or sell securities for his personal portfolio where his decision is substantially derived, in whole or in part, by reason of his employment unless the information is also available to the investing public on reasonable inquiry. No person of FPS shall prefer his or her own interest to that of any End Client.
 - We maintain a list of all securities holdings for the firm and for anyone associated with its advisory practice who has access to advisory recommendations. An appropriate officer reviews these holdings on a regular basis
 - Any individual not in observance of the above may be subject to discipline up to and including termination.

Item 12 – Brokerage Practices

End Client assets are held by independent third-party qualified custodians. FPS has established relationships with third-party custodians (primarily Fidelity and TD Ameritrade). Due to certain arrangement (described below) FPS does have an incentive to recommend Fidelity. However, FPS provides recommendations to RIA Firms in compliance with our fiduciary duty to seek best execution and with the Securities Exchange Act of 1934. We take into account such relevant factors as:

- Price;
- The custodian's facilities, reliability and financial responsibility;
- The ability of the custodian to effect transactions, particularly with regard to such aspects as timing, order size and execution of order;
- The research and related brokerage services provided by such custodian to us, notwithstanding that the account may not be the direct or exclusive beneficiary of such services; and
- Any other factors that we consider to be relevant.

We require RIA Firms to direct us as to the custodian to utilize for their End Clients' accounts. The SEC requires us to notify our RIA Firm clients that 1) not all registered investment advisors require their clients to provide direction as to what custodian to use, and 2) that there may be risk that an advisor is unable to achieve the most favorable execution of client transactions when the client directs the custodian. However, because we trade primarily in mutual funds, and because our services generally include transactions costs (unless we are directed otherwise by RIA Firms), this risk is all but eliminated. Regardless, our custodial relationships are periodically evaluated and renegotiated.

We recommend certain custodians to RIA Firms. Due to our aggregation of RIA Firm relationships with these custodians, we receive investment research products and/or services which assist us in our investment decision-making process. Such research generally will be used to service all RIA Firms. 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 we do not have to produce or pay for the products or services.

FPS receives from custodians, without cost to us, computer software and related systems support, which allow us to better monitor accounts. We receive software and related support without cost because we render services to individuals that maintain assets with these custodians. The software and related systems support benefits us, but may not benefit the RIA Firms or their End Clients directly. FPS' receipt of economic benefits from a custodian creates a conflict of interest since these benefits may influence FPS' choice of one custodian over another that does not furnish similar software, systems support, or services. Additionally, we receive: receipt of duplicate End Client confirmations and bundled duplicate statements; access to a trading desk that exclusively service the custodians' respective institutional division participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to accounts; and access to an electronic communication network for order entry and account information.

Many of the above benefits are generally considered to be "soft dollar" arrangements. As a result of receiving such products and services for no cost, we have an incentive to recommend to RIA Firms custodians that offer soft dollar arrangements. However, these types of arrangements are similar and common to the custodial relationships of other registered investment advisory firms in the industry. FPS periodically evaluates custodians to determine whether the benefits we receive are reasonable in relation to the value of services provided to our RIA Firm clients.

FPS has entered into a support services agreement with Fidelity Brokerage Services LLC and National Financial Services LLC (together referred to as "Fidelity"). Under this agreement, Fidelity pays FPS a support fee based on a portion of total FPS serviced assets in the custody of Fidelity. However, FPS and Fidelity have agreed that no support fee payments will be made with respect to investments in transaction fee funds and Fidelity sponsored funds. Under this arrangement, FPS provides numerous and substantial services to RIA firms that would normally be provided by the custodian (for example, back office, administrative and clerical services). While this arrangement results in a cost savings for the custodian and increased costs for us, the receipt of this additional compensation may create an incentive for FPS to recommend funds available through the Fidelity platform for which (i) Fidelity is not a sponsor or manager, and (ii) transaction fees are not imposed (together, "NTF Funds"). It would not be unusual for the majority of investments made through the Fidelity platform to be in NTF Funds, for which FPS would receive support fees. Because FPS generally pays custodial trading costs for the trades recommended by us there may also be an incentive to make fewer trading recommendations in ordinary transaction fee funds in order to control our trading expenses. These conflicts are mitigated by our fiduciary duty to put the RIA Firms' interests first. We make all recommendations based on whether the trade and/or fund is suitable, appropriate, and in the RIA Firms' best interest.

We may aggregate trades for accounts. The allocations of a particular security will be determined by us before the trade is placed with the broker. When practical, trades in the same security will be bunched

in a single order (a “block”) in an effort to obtain best execution at the best security price available. When employing a block trade:

- We will make reasonable efforts to attempt to fill orders by day-end.
- If the block order is not filled by day-end, we will allocate shares executed to underlying accounts on a pro rata basis.
- If a block order is filled (full or partial fill) at several prices through multiple trades, an average price will be used for all trades executed;
- All participants receiving securities from the block trade will receive the average price;
- While multiple blocks may be executed on a given day, only trades executed within a block may be combined for purposes of calculating the average price.

It is expected that this trade aggregation and allocation policy will be applied consistently. However, if application of this policy results in unfair or inequitable treatment, we may deviate from this policy.

Finally, it is our policy to minimize the occurrence of trade errors. Should any trade errors which are attributable to FPS occur, we shall take any steps necessary to put the RIA Firm or its End Client in the position it should have been but for the trade error. In the event we determine that a bona fide trade error has occurred which is attributable to FPS, we may move offsetting trades into our error account. Depending on the internal trade error policies and procedures of the particular custodian, our error account may be debited if the offsetting trade results in a loss or credited if the offsetting trade results in a gain. FPS’ receipt of a credit for a gain creates certain conflicts of interest including influencing FPS’ choice of a particular custodian over another that does not have a similar policy.

Item 13 – Review of Accounts

Each RIA Firm has a contractual relationship with their End Client and determines the review policies within their firm. We provide web-based access for the RIA Firm to review all their End Clients’ accounts and to provide extensive reporting to their End Clients as they desire. We provide analysis and reporting to the RIA Firm on a daily, weekly, monthly, and quarterly basis regarding model portfolios and recommended holdings.

The independent custodian provides the RIA Firms’ End Clients a monthly statement reflecting current positions, purchases and sales, and all other activity in the account.

Item 14 – *Client* Referrals and Other Compensation

As disclosed in Item 5, we receive a sub-advisory fee for acting as a sub-adviser to the Generations Multi-Strategy Fund. The conflicts of interest this arrangement presents and how we deal with this conflict is described in detail under Section 5, above.

As disclosed under Item 12, we receive “soft dollars” from certain custodians. We also have entered into a Custodial Support Services Agreement with Fidelity. The conflicts of interest these types of arrangements present and how we deal with these conflicts are described in detail under Section 12, above.

Item 15 – Custody

With the exception of our ability to debit fees, we do not otherwise have custody of the assets in the account. We shall therefore, have no liability to any person for any loss or other harm to any property in the account, including any harm to any property in the account resulting from the insolvency of the custodian or any acts of the agents or employees of the custodian and whether or not the full amount or such loss is covered by the Securities Investor Protection Corporation (“SIPC”) or any other insurance which may be carried by the custodian.

End Clients receive account statements from the custodian of their accounts on a monthly or quarterly basis.

Item 16 – Investment Discretion

With limited exceptions, we do not have discretionary authority to execute investment recommendations. Our non-discretionary authority requires us to obtain prior approval from RIA Firms before executing the investment recommendations. While RIA Firms’ End Clients technically grant us trading authority under the custodial agreement, non-discretionary authority under an advisory or services agreement with the RIA Firm requires us to obtain the RIA Firm’s approval prior to executing investment recommendations.

Discretionary authority allows us to execute investment recommendations without the RIA Firm’s prior approval of each specific transaction. For example, when providing discretionary sub-advisory services to Three G (an Affiliated Entity) we are authorized to purchase and sell securities and instruments in this account, arrange for delivery and payment in connection with the foregoing, select and retain sub-advisors, and act on their behalf in most matters necessary or incidental to the handling of the account, including monitoring certain assets, without prior approval.

Item 17 – Voting *Client* Securities

Generally speaking, FPS does not determine or provide advice on how RIA Firms (or their End Clients) should vote proxies. End Clients of our RIA Firm clients generally receive proxies and other solicitations directly from the custodian or transfer agent. If any proxy materials are received on behalf

of an End Client, they will be sent directly to the RIA Firm. It is the RIA Firm's responsibility to disclose their proxy voting policies and procedures to their End Clients.

FPS has been delegated the duty to vote proxies in limited situations and only for certain affiliated RIA Firms (Three G and THG). How we vote proxies for those affiliated RIA Firms is based on their guidelines established in their respective Proxy Voting Policies and Procedures. Because these RIA Firms are affiliated with us, our written policies and procedures are disclosed separately to those specific firms. Those RIA Firms are required to disclose their proxy voting guidelines, policies and procedures to their End Clients.

FPS does not accept any authority or responsibility to take any action regarding any claim or potential claim in any bankruptcy proceeding, class action securities litigation or other litigation or proceeding relating to securities held at any time in a client account, including, without limitation, to filing of proofs of claim or other documents related to such proceeding, or the investigation, initiation, supervision or monitoring of class action or other litigation involving client assets. Any documents received in relation to a class action lawsuit will be forwarded to the appropriate RIA Firm. FPS neither instructs nor provides advice to any party whether or not to participate as a member of class action lawsuits and will not automatically file claims on a party's behalf. If an RIA FIRM notifies FPS that an End Client wishes to participate in a class action lawsuit, FPS will provide the RIA Firm with transaction information pertaining to the End Client's account necessary for filing a file a proof of claim in a class action.

Item 18 – Financial Information

We do not require fees to be paid six months or more in advance of services.

Except for limited circumstances, we do not have discretionary authority over an RIA Firm (or their End Client) funds or securities. Regardless, we have no financial commitments that would impair our ability to meet contractual and fiduciary commitments to RIA Firms we serve.

Neither FPS, nor any of the principals have been the subject of a bankruptcy petition at any time in the past. We have no financial conditions that would impair our ability to meet contractual commitments to our RIA Firm clients.

Exhibit A – Summary of Material Changes

This Item discusses only specific material changes that have been made to our Brochure since the date of our last annual update, which was April 4, 2011. Since that date we have made the following material changes:

Item 4: This Item has been revised to reflect additional services we provide as a non-discretionary sub-advisory to RIA Firms. We have also revised our Assets Under Management to include those assets we sub-advise on both a discretionary and non-discretionary basis.

Item 5: Revisions to this Item include the following:

- Our revised maximum fee schedule;
- Clarification of additional fees;
- Disclosures and description of compensation we receive for providing services to affiliated entities and certain investment companies.

Item 10: This Item has been revised to include disclosures related to use of Other Investment Managers.

Item 11: This Item has been revised to include the disclosure that we may trade employee accounts alongside our RIA Firm (including their End Clients) client accounts in block trades.

Item 12: Revisions to this Item include the following:

- Disclosure that we require our RIA Firm clients to direct custodial arrangements;
- Disclosure and description that FPS receives certain soft dollar benefits from custodians;
- Disclosure and a brief description of our policies relating to trade errors.

Item 16: This Item has been revised to more clearly describe when our authority is discretionary versus non-discretionary.

Item 17: While FPS does not generally determine or provide advice to RIA Firms (or their End Clients) in voting proxies, this Item has been revised to disclose that we do vote proxies for certain affiliated RIA Firms based on our affiliate's policies and procedures.

Currently, our Brochure may be requested by contacting us at (503) 445-1957 or info@focuspointsolutions.com. Our Brochure is provided free of charge.