

***Item 1 - Cover Page***

**Mendota Financial Group, LLC**

**FORM ADV – PART 2A INFORMATION**

September 27, 2012

Mendota Financial Group, LLC

634 West Main Street, Suite 302

Madison, WI 53703

608-223-9211 phone

608-223-9231 fax

[www.mendotafinancial.com](http://www.mendotafinancial.com)

**This brochure provides information about the qualifications and business practices of Mendota Financial Group, LLC (“MFG”). If you have any questions about the contents of this brochure, please contact us at (608) 223-9211 or [mgoetzke@mendotafinancial.com](mailto:mgoetzke@mendotafinancial.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.**

**Additional information about MFG, including a copy of its Form ADV Part 1, is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**MFG is a registered investment adviser. Registration of an investment adviser does not imply a certain level of skill or training. The oral and written communications of an adviser provide you with information about which you determine to hire or retain an adviser**

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

***Item 5***

***Added paragraph beginning:*** *In addition, as described in Item 10...*

***Item 10***

***Removed paragraph:*** *MFG does not have any other financial industry activities and affiliations for representatives or other related persons.*

***Added paragraph beginning:*** *The principal owners and portfolio managers of MFG...*

**Item 3**

**Table of Contents**

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

#### ***Item 4 - Advisory Business***

MFG was established in June of 2005 and specializes in providing investment advisory services. MFG provides financial consulting and investment management services to a wide variety of clients. The principal owners of MFG are Kurt M. Ahrens, Daniel A. Gresch and Matthew A. Goetzke. The advisory services of MFG are described in detail below.

##### **Financial Consulting Services (“FCS”)**

FCS are offered to non-investment management clients that would like an analysis of their financial situation at a point in time. This one-time analysis may include a range of financial subjects selected by the client. In designing a project or comprehensive financial plan, regardless of the complexity, MFG will:

- Conduct an initial interview to learn about client’s goals and objectives.
- Request documents related to client’s finances, including all recent account statements, social security benefits statement, tax return, mortgage statement, pay stub, other employer benefit statements, estate documents and a Confidential Financial Statement (“CFS”) and Statement of Cash Flows (“SCF”). The CFS details Client’s personal information including name, address, employer, children, salary, assets, liabilities and insurance. The SCF lists all current expenses for use in completing retirement projections.
- Complete a client interview and needs assessment that details their short and long-term financial goals.
- Complete and deliver a written financial analysis, in the scope requested by a client, based on the information gathered during the document request, interview and needs evaluation. This plan may include establishing a clear set of objectives, net worth statement, income statement, cash flow outlook, cash flow projections, sources and uses of income, strategy recommendations, retirement, estate, education and insurance planning.

FCS provide client’s with a snapshot of their financial situation at a point in time. After delivery of the analysis to client, the FCS Agreement is complete. MFG is under no further obligation to provide updates or assistance with implementation of the items detailed in the analysis.

##### **Investment Management Services (“IMS”)**

IMS clients are offered FCS at no additional charge. IMS client relationships typically begin with the FCS outlined above. Once the initial FCS is complete, MFG will assist the client with implementation of the plan, to the extent possible, including discretionary investment management services.

MFG provides clients with portfolio management and reporting services by means of its IMS. Through the IMS, clients receive discretionary portfolio management, quarterly statements reflecting holdings and transactions and ongoing account monitoring services by MFG. Securities used to implement IMS may include stocks, bonds, mutual funds, annuity sub-funds, exchange-traded funds, futures, options and convertible securities. MFG will exercise discretionary trading authority while providing services. This means that MFG will have authority to purchase and sell securities of their choice in the amounts and at the times they believe are suitable for a client’s account to do so. MFG may also recommend the use of third-party investment managers to manage all, or a portion of the investments within the client’s portfolio. Such managers will also have limited discretionary trading authority to place orders.

The initial investment and asset allocation recommendations are based on the financial information gathered from each client including net worth, ability and willingness to accept risk, financial goals and objectives, investment restrictions requested by the client and overall financial conditions through the initial FCS.

Based on this information, the client is provided with initial investment recommendations designed to provide an appropriate asset mix consistent with the client's objectives and suitability. The client's portfolio and its performance are monitored by MFG in light of the client's stated goals and objectives. The frequency of these reviews and transactions made for a client's account are determined by MFG representatives and occur at least quarterly. MFG representatives typically meet with the client on an as-needed or as-requested basis to discuss the portfolio and other aspects of the service. Clients are free to contact their representative at any time if they have questions about their accounts.

As a general rule, MFG believes that investing is best suited to those who believe in a long-term buy-and-hold policy. Therefore, clients should not expect frequent investment changes in the portfolio. However, as a result of monitoring the account, investment purchases and sales will be made.

Portfolios are all tailored to meet the unique needs of each client. For example, a client may have substantial assets in a privately held company, real estate or retirement plan with limited ability to restructure the investments. In those cases, the investment portfolio will likely be different from another client with a similar size investment portfolio. Clients may impose restrictions on investing in certain securities or types of securities by providing MFG with a list of restrictions.

Investments are not held by MFG. Instead, all investments managed by MFG are held at a third party qualified custodian such as Charles Schwab, Fidelity and TIAA-CREF through which client assets are held and transactions are placed.

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

All planning is based on information provided by the client. It is the client's responsibility to be certain MFG has current and accurate information to enable MFG to prepare the initial and ongoing FCS and IMS, and it is the client's responsibility to inform the MFG representative of material changes affecting the investments and planning strategies implemented so the MFG representative has them for future reference. The FCS is updated as requested by clients. Interim review meetings are conducted at least two times per year.

MFG manages \$106,050,000 on a discretionary basis as of December 31, 2011. MFG manages \$50,000 on a non-discretionary basis as of December 31, 2011.

## ***Item 5 - Fees and Compensation***

Fees paid to MFG are for MFG advisory services only. The fees do not include, for example, the fees charged by third parties such as third-party managers, or accountants and attorneys assisting with providing the client with accounting and legal advice. Commissions on transactions and other account fees will also be charged by brokerage firms in accordance with the brokerage firm's normal commission schedule. See Item 12, Brokerage Practices.

Prospective clients should be aware that in addition to MFG's advisory fees, each mutual fund, annuity sub-fund and exchange-traded fund in which a client's assets are invested also pays its own advisory fees and other internal expenses which already have been deducted from the reported fund's performance. Depending on the fund, a client may be able to invest directly in the shares issued by the fund with or without incurring any sales or third-party management fees. Account maintenance fees are also deducted by the custodian.

There are tax effects pertaining to fund share redemptions, and other sales, made by MFG on behalf of clients. Redemptions and sales may be taxable events which may accelerate the recognition of capital gains, and losses, and frequent redemptions and sales may result in short-term, rather than long-term, capital gains and losses.

### Other Compensation

In addition, as described in Item 10, principals and portfolio managers of MFG own Impuesto Management, LLC ("Manager"), a firm which arranges for and monitors the status of tax credits, commonly known as ACT 255 investor tax credits ("Credits"), made available by Impuesto Partners I, LLC ("Company"). To the extent clients of MFG acquire an interest in the Company they should be aware that the Manager charges an up-front fee and an ongoing tax credit monitoring fee which will benefit the principals of Manager as owners of that firm. MFG itself is not involved with the company, or making offers of its interests, and does not receive any compensation from the Company.

### Financial Consulting Services Fee

All fees for FCS are negotiable. MFG's fees for providing FCS are typically charged on a fixed fee basis. There is a minimum fee of \$1,500.00.

Prior to engagement, each client signs a FCS Agreement which details the total fee for services. The amount of the fee for each analysis depends on the nature and scope of the advice requested by the client.

Half of the fee is payable upon commencement of services. The remaining half of the fee is payable upon delivery of the analysis. Payment arrangements are established in the FCS Agreement but clients typically pay fees directly as opposed to having their account debited. The fee may be waived, in whole or in part by MFG at its sole discretion, if client elects to retain MFG for IMS.

The FCS Agreement may be terminated at any time by either party giving the other party written notice. A full refund of any fees paid to MFG will be made if the Financial Consulting Services Agreement is terminated prior to its completion.

#### Investment Management Services Fee

Fees for MFG Investment Management Services are negotiable and calculated as a percentage of the total value of investments under MFG's management at the rates set forth in the Fee Schedule below. In addition to this advisory fee there may, depending upon the type of security, be transactional and commissions charged by the custodian. Administrative and servicing fees may also be charged by the custodian.

#### **Schedule of Fees**

<b>Value of Assets Under Management</b>	<b>Annual Fee</b>	<b>Quarterly Fee</b>
First \$ 1,000,000	1.0%	.25%
Next \$ 2,000,000	.60%	.15%
Over \$ 3,000,000	.40%	.10%

All fees due are set forth in each client's IMS Agreement.

Advisory fees are payable quarterly in advance and are calculated on the basis of the market value of the investments in the account, including accrued interest and any balances held in money market funds. The fee for the initial quarter is pro-rated for the period that services are provided. Subsequent fees are based upon the market value of the account as of the last business day of the previous quarter. Account balances of related accounts may, at MFG's discretion, be combined for fee calculation purposes. Payment arrangements are established in the IMS Agreement but clients may elect to have the fee debited directly from their account or pay by check. The client will receive a quarterly report including invoice from MFG, as well as reports from the account's custodian, showing the fee calculation. With the client's prior permission, fees are automatically deducted from the client's account when due. MFG will liquidate money market shares to pay the fee and, if money market shares or cash value are not available, other investments will be liquidated. Authorization for the deduction of fees from the managed account is contained in the IMS Agreement. The client may terminate the authorization for automatic deduction at any time by notifying MFG in writing.

The IMS Agreement may be terminated by fifteen (15) days advance written notice from either party to the other. Upon termination of the IMS Agreement, any pre-paid and unearned advisory fees will be prorated and refunded subject to receipt of fifteen (15) days written notice. The fees are applied and prorated for \$100,000 or more of assets added to the account during any quarter, at MFG's discretion. No pre-paid fee is returned based upon partial withdrawals by a client. MFG may amend its fee schedule upon thirty (30) days advance written notice to the client.

When third-party investment managers are used to manage a portion of the overall portfolio, the fee is in addition to the management fee for IMS. With client's prior permission, fees are automatically deducted from the client's account when due. MFG may include an invoice for third-party investment managers with the quarterly report from MFG.

#### Other Compensation

None.

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

Not applicable.

***Item 7 - Types of Clients/Minimum Account Size***

MFG makes FCS and IMS available to a wide variety of clients including, but not limited to, individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities.

MFG does not require a minimum account size.

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

MFG's security analysis methods include, but are not limited to, fundamental analysis (evaluating securities based upon its historical and projected financial performance); and cyclical analysis (determining the desirability of an issue based upon the status of an issue within the price cycle the security or similar securities have followed historically). All securities analysis methods and strategies, even those used by MFG, may involve a high degree of risk and losses can occur.

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

Neither MFG, nor the third party managers it may secure, guarantee the results of the advice given. Thus, significant losses can occur by investing in any security, or by following any strategy, including those recommended or applied by MFG.

MFG may recommend traditional exchange-traded funds ("ETF"). ETF shares are bought and sold at market price unlike mutual funds. ETFs are subject to risks similar to those of stocks.

***Item 9 - Disciplinary Information***

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

***Item 10 - Other Financial Industry Activities and Affiliations***

The principal owners and portfolio managers of MFG are also owners of Impuesto Management, LLC ("Manager") which provides tax credit management services to Impuesto Partners I, LLC ("Company"), a firm which offers tax credits, commonly known as ACT 255 investor tax credits ("Credits"). It is the Manager's role to select, acquire and monitor tax credits made available under the Wisconsin Statutes. While performing these functions, the Manager will identify Qualified Venture Funds wishing to transfer credits; interface with state agencies as needed to verify transferability of tax credits; negotiate tax credit acquisition agreements; assist in preparation of Company interest offering materials; distribute tax credits acquired by the Company to its members; monitor the status of the credits under Wisconsin law; represent the Company in formal recovery proceedings; and other functions.

Because, as explained in Item 5, "Other Compensation" the principals and portfolio managers of MFG who own the Manager will benefit from the up-front and ongoing fees the Manager will earn from performing the functions described above, the principals have a conflict of interest if they recommend to an MFG client the purchase of an interest in the Company so the client can obtain the advantages of the tax credits. In all cases, prior to recommending the purchase, the principals and portfolio managers determine on behalf of the Company that the purchase is in the client's best interest. MFG itself is not involved with making any Company interest purchase recommendation and does not receive any compensation from the Company.



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

Representatives of MFG may buy or sell securities for themselves that they also recommend to clients. Where a transaction for a representative, or an account related to a representative, is contemplated, a client's transaction is given priority. MFG has developed a Code of Ethics applicable to all persons who have access to confidential client records or to recommendations being made for client accounts. Designed to prevent conflicts of interest between the financial interests of clients and the interests of the firm's staff, the Code requires, among other procedures, such "access persons to obtain preapproval of certain securities transactions, to report transactions quarterly and to report all securities positions in which they have a beneficial interest at least annually. These reporting requirements allow supervisors at the firm to determine whether to allow or prohibit certain employee securities purchases and sales based on transactions made, or anticipated to be made, in the same securities for clients' accounts. The Code also establishes certain bookkeeping requirements relating to federal reporting rules. The Code is required to be reviewed annually and updated as necessary. A complete copy of the firm's Code is available upon request.

### ***Item 12 - Brokerage Practices***

#### **The Custodian and Brokers We Use**

MFG ("we"/"our") does not maintain custody of client assets we manage through our IMS, although we may be deemed to have custody of client assets if you give us authority to withdraw assets from client account (see *Item 15 – Custody*, below). Client assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. Some clients choose to use broker-dealer/custodians such as TIAA-CREF and Fidelity. We request that clients use Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member SIPC, as the qualified custodian. We are independently owned and operated and are not affiliated with Schwab. Schwab will hold client assets in a brokerage account and buy and sell securities when we instruct them to. While we request that you use Schwab as custodian/broker, client will decide whether to do so and will open an account with Schwab by entering into an account agreement directly with them. We do not open the account for client, although we may assist client in doing so. Even though client account is maintained at Schwab, we can still use other brokers to execute trades for client accounts as described below (see "*Client Brokerage and Custody Costs*").

#### **How We Select Brokers/Custodians**

We seek to recommend a custodian/broker who will hold client assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for client account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds [ETFs], etc.)
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength, and stability
- Prior service to us and our other clients
- Availability of other products and services that benefit us, as discussed below (see "*Products and Services Available to Us From Schwab*")

### Client Brokerage and Custody Costs

For our clients' accounts that Schwab maintains, Schwab generally does not charge clients separately for custody services but is compensated by charging client commissions or other fees on trades that it executes or that settle into client Schwab accounts.

Schwab charges clients a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into client Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, we have Schwab execute most trades for client accounts. We have determined that having Schwab execute most trades is consistent with our duty to seek "best execution" of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see *"How We Select Brokers/Custodians"*).

### Products and Services Available to Us From Schwab

Schwab Advisor Services (formerly called Schwab Institutional) is Schwab's business serving independent investment advisory firms like ours. They provide us and our clients with access to its institutional brokerage—trading, custody, reporting, and related services—many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. Schwab's support services generally are available on an unsolicited basis (we don't have to request them) and at no charge to us as long as our clients collectively maintain a total of at least \$10 million of their assets in accounts at Schwab. If our clients collectively have less than \$10 million in assets at Schwab, Schwab may charge us quarterly service fees of \$1,200. Following is a more detailed description of Schwab's support services:

#### Services That Benefit Clients.

Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit clients and client accounts.

#### Services That May Not Directly Benefit Clients.

Schwab also makes available to us other products and services that benefit us but may not directly benefit clients or client accounts. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements)
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate payment of our fees from our clients' accounts
- Assist with back-office functions, recordkeeping, and client reporting

### Services That Generally Benefit Only Us.

Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits, such as occasional business entertainment of our personnel.

### Our Interest in Schwab's Services

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We don't have to pay for Schwab's services so long as our clients collectively keep a total of at least \$10 million of their assets in accounts at Schwab. Beyond that, these services are not contingent upon us committing any specific amount of business to Schwab in trading commissions or assets in custody. The \$10 million minimum may give us an incentive to request that you maintain clients account with Schwab, based on our interest in receiving Schwab's services that benefit our business rather than based on client interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that our selection of Schwab as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's services (see "*How We Select Brokers/Custodians*") and not Schwab's services that benefit only us. We have \$106,050,000 in client assets under management as of December 31, 2011, and we do not believe that requesting our clients to collectively maintain at least \$10 million of those assets at Schwab in order to avoid paying Schwab quarterly service fees presents a material conflict of interest.

### ***Item 13 - Review of Accounts and Reports***

FCS only clients will not receive periodic reviews after completion of the FCS Agreement. For clients receiving IMS, accounts are reviewed personally by either Kurt M. Ahrens, Principal, Brian K. Donley, VP Wealth Management, Daniel A. Gresch, Principal or Matthew A. Goetzke, Principal at least quarterly. More than one representative may be involved in the development of a plan and, with the client's permission, the client's legal and accounting professionals may be involved. When outside professionals become involved in the planning process, the cost of the outside professionals is the responsibility of the client. The FCS is updated as requested by clients.

IMS clients receive reports at least quarterly from their account's custodian. In addition, client receives a written quarterly report from MFG that includes their asset mix, consolidated portfolio appraisal, net of fee performance in total and by asset class, invoice and individual account portfolio appraisal.

The client's portfolio is regularly reviewed by the client's MFG representative at least quarterly. Clients are encouraged to compare the information on any account statement received from MFG to that shown on custodial statements.

### ***Item 14 - Client Referrals and Other Compensation***

MFG does not have any relationship outside of the items listed in *Item 12 Brokerage Practices* where an economic benefit is received for providing investment advice or other advisory services to clients.

MFG may pay a referral to or share fees with other Investment Advisers or Investment Adviser Representatives. In those situations where a referral fee is paid to or fees shared with another Investment

Adviser or Investment Adviser Representative, the total fee charged to the client will not be more than if no-referral fee had been paid. Any client subject to a referral fee or fee-sharing arrangement will be notified in advance of executing the IMS Agreement.

***Item 15 - Custody***

MFG does not take custody of client funds or securities. Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. MFG urges clients to carefully review such statements and compare such official custodial records to the account statements that we may provide to clients. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

***Item 16 - Investment Discretion***

When providing Investment Management Services, MFG representatives usually receive discretionary authority from the client at the outset of an advisory relationship. Discretionary authority allows MFG to select the securities to buy and sell, the amount to buy and sell, when to buy and sell, and the commission rate paid, without obtaining specific consent from the client for each trade. Clients should be aware that representatives may make different recommendations and effect different trades with respect to the same securities to different advisory clients. Commissions and execution of securities transactions implemented through the custodian/broker dealer recommended by MFG may not be better than the commissions or execution available if the client used another brokerage firm. However, MFG believes that the overall level of services and support provided to the client by custodians and broker-dealers whom MFG recommends outweighs the potentially lower costs that may be available from other brokerage service providers. Investment guidelines and restrictions must be provided to MFG in writing.

Depending on the IMS Agreement, third party managers used to manage client accounts or portions of client accounts may be hired or terminated by MFG using discretionary authority granted to MFG by client. Such third-party managers also have authority granted by the client to purchase and sell securities at their discretion.

When exercising discretion, MFG may combine orders for more than one client's account to form a "block" order for the purpose of seeking a better price and or execution. When a block order is executed, the broker/dealer executing the order typically allocates an average execution price to all shares in the block order, which MFG then allocates to each client's account position on a pro rata basis. Should a block order only be partially filled, available shares are distributed in a manner fair to all client's.

If a client directs MFG to effect transactions through a particular broker/dealer, MFG will do so. However, such an instruction may have implications to the client which may include incurring transaction costs and commissions that may be higher or lower than if the instruction had not been given. Also, restricting MFG to particular broker/dealers may limit MFG's ability to include a client account order within block orders to obtain the best price or execution. In addition, if MFG is effecting transactions in a security for clients by means of a block order, as well as an order in the same security for a client who has directed MFG to use a particular broker/dealer, MFG will effect the block order immediately prior to effecting the directed brokerage trade. Thus, clients directing MFG to use a particular broker/dealer may not receive the same average price for securities bought or sold that would be received if the order was part of a block order.

In those instances where an order error occurs by MFG, it is MFG's policy to reverse the order to make the client's account whole.

***Item 17 - Voting Client Securities***

MFG and its representatives do not vote proxies on behalf of clients who will receive such notices from their account's custodian.

MFG also does not take any action on legal notices it or a client may receive from issuers of securities held in a client's account. However, MFG is available to answer questions regarding such notices.

***Item 18 - Financial Information***

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