

Firm Information - ADV Part II Replacement Brochure
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This brochure serves as a replacement to Part II of Form ADV Uniform Application for Investment Adviser Registration, which gives information about an investment adviser and its business for the use of clients and prospective clients. This information has not been approved or verified by any governmental authority. Registration of an investment adviser does not imply that the adviser possesses a certain level of skill or training.

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1. Advisory Services and Fees

Association Financial Services, Inc. ("the Firm") is a registered investment adviser that provides financial planning and investment counseling services to individuals, corporations, small businesses, 401(k), pensions and profit sharing plans, estates, trusts, and institutional clients. The firm provides comprehensive financial planning to clients. This includes the five areas of financial planning, which are Protection, Estate Planning, Income Tax Planning, Retirement Income Planning and Investment Planning. The Firm does not have investment discretionary authority on any accounts. In other

words, we neither custodialize client assets nor execute trades at the third-party custodian (SEI Private Trust Company “SEI”) without client consent.

For most clients, the Firm’s compensation derives from investment advisory fees on assets that are managed by the firm, on behalf of the client. Clients pay the Firm a management fee (investment advisory fee) calculated as a percentage of the market value of an account. (The Firm’s compensation does not include various fees charged to clients by SEI Private Trust Company, hereafter “SEI,” a firm with which the Firm has a financial affiliation discussed below in Section 8.) While the Firm has the ability to establish commission based accounts with SEI, it neither exercises that ability nor assess any commission-based fees for its services. We are a fee-only planning and advisory firm.

The Firm believes total investment costs paid by its clients are highly competitive, generally averaging 0.60% of invested assets per year for accounts. The investment advisory fee is charged each calendar quarter and in arrears at ¼ of the annual percentage rate fee assessed to the client’s account.

The firm seeks to provide complete transparency with regard to fees and expenses. Clients receive a confirmation of each transaction clearly disclosing any fees, and regular statements detailing all activity and charges, which includes the specific accounting for the investment advisory fee.

Clients may at any time add funds or securities to their accounts, withdraw funds or securities from their accounts, or close their accounts. There are no lock-up provisions.

2. Types of Clients

We serve private clients, corporate and business pension or profit sharing plans, and government agencies. The Firm’s private clientele consists primarily of individuals who have accumulated significant wealth, are about to retire or are already retired. These clients are typically physicians and surgeons, business owners, or key employees. Any client who has financial, tax, or investment problems, or who wishes to plan prudently for their financial future will find tremendous benefit from our services.

3. Types of Investments

The typical investments recommended are highly available, well-regulated mutual funds. We also have clients who own common stocks issued by domestic and foreign companies, U.S. Government securities, bonds issued by domestic companies, and preferred stocks issued by domestic companies. We also have clients who hold or have held, municipal securities, commercial paper, warrants, options, bonds issued by foreign companies, domestic and foreign mutual funds. We also advise clients on the appropriateness of variable annuity investments for the lifetime living benefit guarantees and the guaranteed minimum death benefits. These types of investments are issued by life insurance companies, and the Firm does not sell insurance products.

4. Methods of Analysis, Sources of Information, and Investment Strategies

We do not use technical analysis or charting. We do use a fundamental approach, such as economic conditions, earnings, industry outlook, politics (as it relates to investments) historical data, price-earnings ratios, dividends, interest rates, company management and tax benefits. We do not pick individual stocks. We do not pick individual bonds, we pick stock pickers and bond pickers. We are not the fund manager, we are the manager of the fund managers. The main independent companies that we utilize in order to research investment are Morningstar, Inc. and other commercially available resources. We attempt to select client's investments to harmonize with their financial objectives.

The Firm continually adapts its investment recommendations to market conditions and individual client needs. Decades of experience have shown that no one approach works at all times for all clients. Generally, the Firm holds securities in taxable client accounts for over one year, but, when appropriate, will sell within a year to capture a large gain or harvest a tax loss.

The Firm utilizes Modern Portfolio Theory-based model portfolios to aid clients in achieving their financial goals using academically sound methods. There is no guarantee that the investment goals will be achieved. Investing includes many inherent risks and acting upon advice furnished by the Firm may result in loss of principal.

5. Education Standards

The Firm's strongly encourages the financial advisors within the firm to pursue the Certified Financial Planning (CFP®) designation awarded by the Certified Financial Planner Board of Standards, Inc. Martin A. Watkins holds the CFP designation. The Firm also encourages investment professionals to participate in CFP continuing education programs.

Persons employed by the Firm, other than persons whose functions are clerical, are required to have a college degree from a major college/university and/or a professional designation such as J.D., CPA, CFA, CFP, MBA, or be in the process of obtaining such a designation, plus not less than two years in the securities and financial services industry.

The Firm requires all investment adviser representatives to be active members in good standing with the Financial Planning Association and abide by its Code of Ethics as administered by the CFP Board of Standards. In addition, the Firm requires significant training prior to an adviser giving investment advice to clients.

6. Education and Business Background

Martin A. Watkins, CEO

Year of Birth: 1965

Mr. Watkins received a Bachelor of Arts degree in History from Brigham Young University. In 1993, Mr. Watkins co-founded Utah Medical Association Financial Services, served as the Chief Operating Officer and adviser, and grew the practice from inception to advising over 400 clients representing \$625,000,000 under advisement and \$300,000,000 under management. In September 2006, Mr. Watkins founded Association Financial Services as a private practice for individual clients. In 2007, he assisted the Idaho Medical Association in establishing a financial services unit. He has held the CFP® designation since 1997. He helped develop the Utah 529 Education Savings Plan ("UESP") investment options, and currently maintains an advisory role with UESP.

W. Bruce Miller, President and COO

Year of Birth: 1965

Mr. Miller held positions as CEO at Financial Guard, a venture financial services firm, and as Chief Information Officer at Bank of American Fork. He holds both an MBA with Honors and a Bachelor of Science in Business from Brigham Young University. His financial education includes diplomas from the prestigious Pacific Coast Banking School (PCBS) through the University of Washington and the Bank Administration Institute through Vanderbilt University. He is recognized in the financial community for his leadership as Chairman of the Electronic Banking Committee at the Utah Banker's Association, as Associate Director at PCBS, and for pioneering innovative electronic banking services.

7. Other Business Activities

Martin A. Watkins has additional professional training in tax strategy. Clients appreciate a second set of eyes in reviewing the return for tax reduction strategies. We do not prepare client tax returns.

8. Financial Affiliations

The Firm has arranged with SEI Private Trust Company to provide clearing and custodian services to the Firm's clients. SEI is one of the largest banking and trust firms in the United States, holds the clients' securities and cash, and issues statements and confirmations. SEI uses their own broker dealer affiliation to provide compliance support and other back office services. SEI is compensated for their services through fees assessed as a percentage of the investments they hold in custody for our clients.

Occasionally, other miscellaneous fees may be charged directly to the Firm's clients, including fees to transfer accounts, transfer funds, deposit securities certificates, annual administration fee for retirement accounts, and other miscellaneous services. In

general, these fees are very small relative to a client's total investment expenses, and are occasionally absorbed by the Firm.

9. Participation of Interest in Client Transactions

The Firm does not buy securities from, or sell securities to any investment advisory client. The Firm, and its officers, employees, and family members generally hold the same securities the Firm recommends for client accounts. The Firm prohibits itself and its associated persons from benefiting from the short-term market effects of transactions for clients.

10. Conditions for Managing Accounts

The Firm generally requires a minimum of \$500,000 to begin an advisory relationship. It believes that this is the minimum amount required to best execute its investment strategies for an individual portfolio. However, smaller accounts may be accepted at the discretion of management.

11A. Review of Accounts

The Firm's financial advisors and compliance officer regularly monitor accounts to implement investment strategies that serve each client's investment objectives. At a minimum, investment performance is tracked quarterly for each advisory account. More frequent account reviews are triggered by such factors as: a) awareness of a material change in a client's circumstances or investment objectives, b) significant changes in market conditions, c) changes in the portfolio manager's assessment of a security held in an account, and d) divergence of an account's investment performance from management's expectations. The Firm holds has approximately 150 clients for whom it provides financial planning services.

11B. Reports to Clients

The Firm arranges for SEI to furnish clients with confirmations of trades or debit/credit advice promptly after completion of any portfolio transaction for which the Firm has placed an order. The confirmations detail the principal amount and any other fees for each transaction. In addition, the Firm arranges for each client and/or client designated representative to receive regular account statements showing the activity in each of the client's accounts and the market value of each security in the accounts. The Firm, upon request, may provide additional reports showing the industry and sector diversification of a portfolio, the cost basis of securities held, realized capital gains and losses, and other portfolio information. In addition, through meetings, telephone calls, and letters, the Firm regularly keeps clients informed of the investment policy and strategy for achieving clients' investment objectives. The nature and frequency of these reports and other communications are determined primarily by the particular needs of each client.

The Firm will post its policies, including this information pamphlet, and other disclosures on its website at www.truenorthwealth.com and offers at least annually to send them to clients.

12. Investment or Brokerage Discretion

We do not have discretion over any of our client accounts. Our clients' accounts are held at SEI who acts as the clearing firm for all of the accounts we manage. The Firm considers primarily the ability to execute a trade promptly at a competitive price. Without specific client instructions, the Firm typically does not have the power to transfer funds or securities to or from a client's account.

13. Additional Compensation

Although in many cases, the Firm is fully compensated for planning services by way of fee-based asset management, the Firm may also be compensated for planning services by the client on an hourly or pre-determined fixed fee basis. The Firm does complete financial plans as part of the investment advisory fee, and the Firm does have the flexibility to offer financial plans for a set fee and perform financial consulting work on an hourly basis. The charge for a financial plan typically ranges from \$1,000 - \$15,000, but may be more or less, depending on the nature and complexity of each client's circumstances.

The firm currently does not have an arrangement for receiving compensation for referring clients to other advisers, tax professionals, or estate planning attorneys.