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**Investment Adviser Firm Brochure
(ADV Part 2A of Form ADV)**

February 2012

This brochure provides information about the qualifications and business practices of Korving & Company LLC. If you have any questions about the contents of this brochure please contact us at (757) 638-5490 or arie.korving@korvingco.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

The designation “registered investment adviser” does not imply a certain level of skill or training.

Additional information about Korving & Company LLC also is available on the SEC’s website at www.adviserinfo.sec.gov

Item 2: Material Changes

This Investment Adviser Brochure (ADV Part 2A) of Korving & Company LLC (“Brochure”) contains no material changes in content since our last ADV Part 2 provided to clients in 2011, although we have made some minor change in the Brochure’s format.

However, based upon changes in the Investment Advisers Act of 1940, mandated by the Dodd-Frank Wall Street Reform and Protection Act, which became effective in 2012, Korving & Company has transferred its registration as an investment adviser from the United States Securities and Exchange Commission to the Commonwealth of Virginia, State Corporation Commission, Division of Securities & Retail Franchising, and various other State regulatory authorities where it conducts business.

Item 3: Table of Contents

Item 1: Cover Page	i
Item 2: Material Changes	ii
Item 3: Table of Contents	iii
Item 4: Advisory Business.....	1
A. Description of the Advisory Firm	1
B. Types of Advisory Services	1
(1) Asset Management and Investment Advisory Services	1
(a) The Wealth Management Advisory Program (the “Advisory Program”)...	1
(b) The Wealth Management Access Program (the “Access Program”).....	2
(2) Financial Planning and Consulting Services	2
(a) Financial Planning Services	2
(b) Portfolio Review and Monitoring Services.....	3
(c) Comprehensive Reporting.....	3
C. Client Tailored Services and Client Imposed Restrictions.....	3
D. Wrap Fee Programs.....	3
E. Assets Under Management.....	4
Item 5: Fees & Compensation	4
A. Fee Schedule	4
(1) The Korving & Company Fee Schedule	4
B. Payment of Fees	4
C. Additional Client Fees.....	5
D. Outside Compensation	5
Item 6: Performance-Based & Side-By-Side Management.....	6
Item 7: Types of Clients	6
Item 8: Methods of Analysis, Investment Strategies & Risk of Loss	6
A. Portfolio Diversification.....	6
B. Risk Management.....	7
C. Managed Mutual Fund Portfolios.....	7
D. Investment Process & Analysis.....	7
Item 9: Disciplinary Information.....	8

Item 10: Other Financial Industry Activities & Affiliations	8
A. Registration as a Broker-Dealer or Broker-Dealer Representative	8
B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor	8
C. Registration Relationships Material to Our Advisory Business and Possible Conflicts of Interests	8
D. Selection of Other Advisors or Managers and How We Are Compensated for Those Selections	8
Item 11: Code of Ethics, Participation or Interest in Client Transactions & Personal Trading	9
A. Code of Ethics	9
B. Interest in Client Transactions & Personal Trading	9
C. Privacy Policy	9
Item 12: Brokerage Practices	10
A. Factors Used to Select Custodians and/or Broker Dealers	10
B. Conflict of Interest Disclosure	11
C. Best Execution	11
D. Aggregation and Allocation of Transactions	11
Item 13: Review of Accounts	12
A. Frequency and Nature of Periodic Reviews	12
B. Factors That Trigger a Non-Periodic Review of Client Accounts	12
C. Reports to Clients	12
Item 14: Client Referrals & Other Compensation	12
A. Economic Benefits Provided by Third Parties for Advice	12
B. Compensation to Non-Advisory Personnel for Client Solicitation or Referrals	12
Item 15: Custody	12
Item 16: Investment Discretion	13
Item 17: Voting Client Securities (Proxy Voting)	13
Item 18: Financial Information	13
A. Balance Sheet	13
B. Financial Condition	13
C. Bankruptcy Petitions in Previous Ten Years	13

Item 19: Requirements for State Registered Advisers	14
A. Educational & Business Background of Principal Management	14
B. Other Business Activities	14
C. Performance Based Fees	14
D. Disciplinary Information	14
E. Relationships with Issuers	14

Item 4: Advisory Business

A. Description of the Advisory Firm

Korving & Company LLC (“Korving & Co.,” “we,” “our”) is a registered investment adviser that was founded in January 2010, by its co-founders, Arie J. Korving, who serves as our Chairman, and Stephen J. Korving, who serves as our President. As an investment adviser, we provide asset management and investment advisory services on both a discretionary and non-discretionary basis as well as financial and estate planning to a diverse client base that includes individuals, families, corporations and non-profit institutions.

B. Types of Advisory Services

Our focus is on helping you achieve your personal long terms goals which may include a comfortable retirement, a second home, a college education for your children, leaving a legacy, or making charitable bequests.

For our retired clients we develop and implement strategies that will generate sustainable retirement income. We utilize proven strategies to control risk, such as diversification, professional management, constant monitoring of portfolios and the prudent use of equity and fixed income research. We monitor economic, geo-political and tax issues that may affect your financial well-being.

Investments that we commonly use include stock and bond mutual funds, exchange traded funds (“ETFs”), global and foreign mutual funds, CDs, government, municipal and corporate bonds, common stocks, preferred stocks, and equity options.

(1) Asset Management and Investment Advisory Services

Our primary service is providing clients with discretionary asset management and investment advisory services, although we occasionally make exceptions and manage client portfolios on a non-discretionary basis. Our core investment philosophy is based upon creating portfolios that will preserve your wealth while identifying investment opportunities that possess attractive return potential relative to your underlying risk profile.

If you select us to provide advisory services, we will initially ask you to participate in in-depth discussions with our investment managers that enable us to determine and evaluate your risk tolerance, financial resources and goals prior to making any portfolio recommendations or implementing an investment strategy. It is our objective to recommend and implement strategies that you understand and with which you are comfortable.

We offer two types of managed investment advisory programs. These programs include:

(a) The Wealth Management Advisory Program (the “Advisory Program”)

If you participate in an Advisory Program you receive continuous and supervised investment management services. Our services include the investment of your assets in

individual securities or mutual funds that are selected to generate wealth based upon your investment objectives and risk parameters.

(b) The Wealth Management Access Program (the “Access Program”)

If you are a discretionary client and have elected to participate in Access Program you will receive investment management services through another professional investment firm (the “Access Manager”) that we have selected based on their ability to manage certain types or categories of securities. Throughout the advisory relationship, we closely monitor the investments and performance of the Access Managers that we have selected, and we will make recommendations for increasing, decreasing or terminating an Access Manager as appropriate.

If you choose us to provide you with discretionary investment management services, our services will be provided on a fee-only basis, based upon a percentage (%) of the market value of your assets under management. If accepted for non-discretionary relationship you may be eligible to receive our services for the same fee. .

(2) Financial Planning and Consulting Services

In addition investment advisory services, we offer Financial Planning and Consulting Services (including investment and non-investment related matters, insurance planning, etc.) on a stand-alone fee basis. The fees we charge for Financial Planning and Consulting Services are negotiable, but generally range from \$2,500.00 to \$10,000.00 on a fixed fee basis, and \$250.00 to \$500.00 on an hourly rate basis, depending upon the level and scope of the services provided. Prior to engaging us to provide these services, you are generally required to enter into a Financial Planning and Consulting Agreement that sets forth the terms and conditions of our engagement (including termination), describes the scope of services we will provide, and the portion of the fee that is due from you prior to our commencing services. If you request, we may recommend the services of other professionals (such as attorneys, accountants and tax consultants) for implementation purposes. You retain absolute discretion over the implementation of recommendations we make, and are free to accept or reject any recommendation. If you engage us to prepare a plan, you are under no obligation to implement the plan, nor are you obligated to use us as investment managers if you decide to implement the plan. If you retain us to provide on-going Financial Planning and Consulting Services, it remains your responsibility to promptly notify us if there is any change in your financial situation or investment objectives to enable us to review, reevaluate and possibly revise our prior recommendations and/or services.

(a) Financial Planning Services

Your engagement with us to provide financial planning services is separate and distinct from retaining us to provide fee-based investment advisory services. The financial planning services we offer include but are not limited to the preparation and/or analyses of:

- Personal financial statements;
- Budgets and cash flows;
- Investment strategies and plans;

- Retirement goals and objectives;
- Family educational needs;
- Risk management and insurance needs;
- Alternative investment strategies;
- Estate planning and review; and
- Professional/business strategies, including stock options, deferred compensation, etc.

(b) Portfolio Review and Monitoring Services

On a fee basis we can provide you with portfolio review and monitoring services on investment assets that are not managed by Korving & Co. This service is available to clients for whom we manage a portion of their portfolio assets, and to non-advisory clients that only want us to provide them with portfolio review and monitoring services. Generally, the portfolios that we review and monitor are either managed directly by you or by other investment professionals that you have engaged. Our portfolio review service is limited to periodic reviews of asset information provided to us by you, or by a manager or custodian authorized by you. If you engage us to provide you with portfolio review and monitoring services, you acknowledge that you are entirely responsible for the investment performance of these assets.

(c) Comprehensive Reporting

We can, for a separate fee, provide periodic comprehensive reporting services that include investment assets that are held in your custodial account but by specific agreement are not included in the assets for which we provide either discretionary or non-discretionary investment management services (the “Excluded Assets”). You acknowledge that in respect to Excluded Assets our services are limited to reporting services only and they do not include investment management, review, or monitoring services, nor investment advice. If you elect to engage us to provide you with periodic comprehensive reporting services, you are entirely responsible for the investment performance of the Excluded Assets.

C. Client Tailored Services and Client Imposed Restrictions

We offer the same services to all clients. Clients may impose restrictions on investing in certain securities or types of securities however; we cannot be responsible for the results of client imposed restrictions and discourage clients from imposing restrictions.

D. Wrap Fee Programs

Korving & Co. does not sponsor or participate in wrap fee programs.

E. Assets Under Management

As of January 31, 2012, Korving & Co. had the following quantity of assets under management:

	<u>Assets</u>	<u>Number of Accounts</u>
Discretionary	\$37,000,000	315
Non-discretionary	\$15,000,000	70
Total	\$52,000,000	385

Item 5: Fees & Compensation

The two types of investment management services we offer have different fee structures. The fee structure for each program is outlined below. Please note that the fees outlined represent fee guidelines, and we reserve, at our sole discretion, the right to negotiate fees with you or any client or prospective client.

A. Fee Schedule

(1) The Korving & Company Fee Schedule

<u>Client Portfolio Value</u>	<u>Annual Advisory Fee</u>
\$0 - \$250,000	1.25%
\$250,000 - \$500,000	1.15%
\$500,000 - \$1,000,000	1.00%
\$1,000,000 - \$2,000,000	0.90%
\$2,000,000 - \$5,000,000	0.80%
\$5,000,000 +	Negotiable

Please note that the above fee schedule only reflects our fees. It does not include those charged by outside Portfolio Managers, account custodians, broker-dealers or other parties. Trade costs, mutual fund expenses, advisory fees of outside Portfolio Managers, etc. are all separate from our fees and are additional. We do not receive any compensation from outside Managers, custodians or mutual funds unless otherwise disclosed.

B. Payment of Fees

Our annual investment advisory fee under each program is prorated and paid quarterly, in advance, based upon the market value of your managed assets on the last business day of the

previous quarter or the beginning value of a new account. We may, at our sole discretion, charge a lesser investment management fee based upon such criteria as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, or specific negotiations.

Both our Investment Advisory Agreement and the custodian's custodial/clearing agreement may authorize the custodian to debit your account for the amount of our investment advisory fee and to directly remit the management fee to us in compliance with regulatory procedures. If we bill you directly for our fee, payment is due upon receipt of our invoice.

Our advisory fees do not include custodial fees, if any, for which you may be charged separately by your custodian, based upon fees negotiated and agreed upon between you and the custodian, nor do our investment management fees include brokerage commissions, which, if any, are included in and paid by you to the broker on a transaction-by-transaction basis.

If you engage us to provide management services through either our Advisory or Access Programs, you may also want us to provide financial planning and consulting services. Our financial planning and consulting services will be expressly limited to those planning and consulting services that you specifically request. In the event that you require extraordinary planning and/or consultation services (to be determined at our sole discretion), we reserve the right to charge for these additional services according to an agreement that is separate from our investment management agreement.

We do not maintain custody of client assets for which we have either discretionary or non-discretionary management authority. However, if you enter into an investment advisory arrangement with us, we will recommend that you establish a brokerage account with the Schwab Advisor Services Division of Charles Schwab & Co., Inc. ("Schwab") who will provide you with custodial services and act as the executing broker-dealer when we execute transactions in your account. Prior to engaging us to provide investment management services, you will be required to enter into a formal Investment Advisory Agreement with us setting forth the terms and conditions under which we will manage your assets, and also enter into a separate custodial/clearing agreement with Schwab as the broker-dealer/custodian.

C. Additional Client Fees

Broker-dealers such as Schwab who act as both custodian and executing broker may charge brokerage commissions and/or transaction fees for executing certain securities transactions (i.e. transaction fees are charged for certain no-load mutual funds, and commissions are charged for individual equity and fixed income securities transactions). In addition to our investment management fee, brokerage commissions and/or transaction fees, there may be fees related to mutual fund and exchange traded fund purchases, with charges imposed at the fund level (e.g. management fees and other fund expenses).

D. Outside Compensation

Neither Korving & Co. nor our officers or employees accept any compensation for the sale of securities or other investment products, including asset-based charges or services fees from the sale of mutual funds. However, Arie and Stephen Korving licensed to sell insurance

products, but presently clients needing insurance are referred to other insurance advisers and we receive no compensation for such referrals.

Item 6: Performance-Based & Side-By-Side Management

Korving & Co. does not manage advisory assets on a performance fee basis, meaning our fees are not based on a share of capital gains or capital appreciation

Item 7: Types of Clients

Korving & Co. provides investment advisory and financial planning services to a wide range of clients, including individuals and families, small businesses, professional corporations, sole proprietorships, churches, endowments and charities.

Although we provide services to a wide variety of clients, our primary focus is assisting individuals and families as they plan for a transition into retirement.

Item 8: Methods of Analysis, Investment Strategies & Risk of Loss

Korving & Co.'s investment philosophy is based on preserving client wealth while identifying investment opportunities that possess attractive return potential relative to the underlying risk. After initially helping our clients identify their investment objectives in clear, measurable terms, we create customized investment portfolios that are designed to meet each client's stated goals. To limit a client's risk, client portfolios are typically broadly diversified among asset classes and we pursue a diligent manager selection process regardless of whether the manager is managing client assets through mutual funds that we have purchased for Advisory Program clients, or directly managing client assets as a sub-adviser for Access Program clients.

We primarily structure portfolios using no-load or load-waived mutual funds, although in some instances we invest directly in specific securities rather than mutual funds. This is particularly true if we have created and are managing a tax-free municipal bond portfolio designed to protect a client from high and growing tax rates, or if we are implementing a covered-call writing strategy using common stock or ETF positions held in a client's portfolio. In all instances, we monitor client portfolios on an on-going basis and adjust our asset allocations, risk profile, and manager selections as market conditions change.

A. Portfolio Diversification

Korving & Co. believes that portfolio diversification is a key component when structuring client portfolios that are designed to provide steady investment performance while also reducing risk exposure. One of the primary ways in which we achieve portfolio diversification is through the use of mutual funds that by design are invested in a wide range of different securities, thereby reducing client exposure to the returns that might be achieved by any one specific security. Portfolio diversification is further enhanced by our belief that a well-diversified portfolio is typically invested in as many as 10 to 25 mutual funds, thereby further broadening the spectrum of securities in which a client portfolio is invested. Also, by investing in a number of mutual funds, client portfolios are less subject to the investment decisions of individual fund managers.

B. Risk Management

Effective risk management is a critical factor in achieving investment performance. At the inception of your client relationship with Korving & Co., we will advise you on the amount of risk that is appropriate for you based on your investment objectives, financial circumstances, age, and other factors identified during our consultations with you. Although each client is unique, generally young investors with a long time investment horizon before retirement can afford to take more risk in connection with the management of their investment portfolio than older investors closer to retirement.

In order to effectively manage your risk when managing your investment portfolio we focus on making asset allocation decisions based upon your defined investment objectives and risk profile. During the investment management process we continue to track your portfolio to ensure that it stays within its allocation guidelines, and we make appropriate adjustments as needed.

C. Managed Mutual Fund Portfolios

Although each of our client's portfolios are individually managed, we have provided below several different, but typical, portfolio asset allocation structures based on varying return versus risk structures. The structures range from "Aggressive," where the client seeks to achieve high returns while also accepting a higher level of risk, to "Conservative," where the client seeks to preserve capital and be protected from risk while also accepting the potential of achieving lower returns.

<u>Aggressive</u>		<u>Moderately Aggressive</u>		<u>Moderate</u>	
Equities	75-100%	Equities	50-75%	Equities	35-65%
Fixed Income	0-25%	Fixed Income	25-50%	Fixed Income	35-65%
Alternatives	0-25%	Alternatives	0-12.5%	Alternatives	0-10%
Asset Allocation	0-25%	Asset Allocation	0-12.5%	Asset Allocation	0-10%
Balanced	0-25%	Balanced	0-12.5%	Balanced	0-10%
Cash	0-7.5%	Cash	2-10%	Cash	2-15%
<u>Moderately Conservative</u>		<u>Conservative</u>			
Equities	10-35%	Equities	0-10%		
Fixed Income	65-85%	Fixed Income	75-95%		
Alternatives	0-7.5%	Alternatives	0-5%		
Asset Allocation	0-7.5%	Asset Allocation	0-5%		
Balanced	0-7.5%	Balanced	0-5%		
Cash	5-15%	Cash	5-25%		

D. Investment Process & Analysis

Our investment process is based upon the application of a combination of what is referred to as top-down and bottom-up analysis. In the application of top-down analysis, we identify the prevailing economic cycle, market risks, political risks, and interest rate risks to determine the

appropriate asset allocation. In the application of bottom-up analysis, we identify the best mutual funds in each market sector, measure their risk-adjusted return over an extended period of time, and factor in management tenure at these funds. Through this two-pronged approach we believe we can structure client portfolios using mutual funds that are most likely to offer attractive risk-adjusted returns in the current economic and market environment.

Item 9: Disciplinary Information

We have no disciplinary information to report either in connection with Korving & Co. or any of its staff.

Item 10: Other Financial Industry Activities & Affiliations

A. Registration as a Broker-Dealer or Broker-Dealer Representative

Neither Korving & Co. nor any officer or employee is registered as a broker-dealer or as a representative of a broker-dealer.

B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor

Neither Korving & Co. nor any officer or employee is registered as a Futures Commission Merchant, a Commodity Pool Operator, or a Commodity Trading Advisor.

C. Registration Relationships Material to Our Advisory Business and Possible Conflicts of Interests

Neither Korving & Co. nor any officer or employee has any material relationships that would present a possible conflict of interest.

D. Selection of Other Advisors or Managers and How We Are Compensated for Those Selections

In connection with our advisory services, Korving & Co. does select other investment advisers to manage client assets. However, we receive no direct or indirect compensation from the advisers we have selected to manage our client's assets. Our compensation is based on the management fee we charge our clients, which is separate from the fee charged by the adviser managing the client's assets.

Korving & Co. is an independent investment adviser that is 100% owned and managed by its founders, Arie J. Korving and Stephen J. Korving, who also serve as its portfolio managers. Neither Arie J. Korving nor Stephen J. Korving is registered as a representative with any broker-dealer or commodity trading organization, and they receive no compensation from any such entity.

Since its founding Korving & Co. has had a business relationship with Schwab, who provides custodial and execution services for our clients. For more detailed information regarding our relationship with Schwab please see Item 12: Brokerage Practices.

Item 11: Code of Ethics, Participation or Interest in Client Transactions & Personal Trading

A. Code of Ethics

Korving & Co. has implemented a Code of Ethics (the “Code”), which is available to existing and potential clients upon request. We place great emphasis on complying with all applicable laws and regulations governing our practices as a Registered Investment Adviser. Therefore, we have established firm guidelines related to the professional standards of conduct for our employees, which emphasizes the protection of client interests at all times and demonstrates our commitment to our fiduciary duties of honesty, good faith, and fair dealing with clients. All of our employees are expected to adhere strictly to the guidelines outlined in the Code, which requires our employees to submit personal securities transactions and holdings reports to us that are reviewed by our Chief Compliance Officer on a periodic basis. Employees are encouraged to report any violations of the Code to our Chief Compliance Officer. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of any material non-public information about our clients or their account holdings by us or any of our employees.

B. Interest in Client Transactions & Personal Trading

From time to time, persons associated with us may buy or sell securities that are recommended to our clients or securities in which our clients are invested. It is our policy that our employees shall not have priority over any client account in the purchase or sale of securities. Under certain circumstances, the management of Korving & Co. may authorize exceptions to this trading policy.

C. Privacy Policy

Korving & Co. places significant focus on protecting our client’s private information in accordance with the requirements of the Gramm-Leach-Bliley Act. To protect client information, we have implemented policies and procedures which insure that client information is kept private and secure.

We do not disclose any non-public personal information about clients or former clients to any non-affiliated third parties, except as permitted by law. In the course of servicing our client’s accounts, we may share some client information with certain service providers, such as transfer agents, custodians, broker-dealers, accountants, and lawyers.

We restrict internal access to non-public personal information about clients to employees only on a “need-to-know” basis that is necessary to facilitate our capability to provide clients with products or services. We have a strict policy which prohibits selling information about current or former customers or their accounts to anyone. It is also our policy not to share client information unless required to process a transaction, at the request of a client, or as required by law.

A copy of our privacy policy notice is provided to each client prior to, or contemporaneously with, the execution of the advisory agreement, and, thereafter, we will deliver a copy of our current privacy policy notice to our clients on an annual basis.

Item 12: Brokerage Practices

A. Factors Used to Select Custodians and/or Broker Dealers

As previously outlined, we recommend that our clients establish brokerage/custodial accounts with Schwab to maintain custody of the assets managed by us, although, clients may elect to use a custodian other than Schwab, provided the custodian is acceptable to us. Generally, the broker-dealer who acts as the client's custodian also acts as the executing firm in connection with transactions in the client's account. However, in some instances we may execute transactions in a client's account through an executing broker-dealer that is not the client's custodian and the transactions are cleared through the client's custodial account.

Custodians may charge clients separately for custody services, and executing broker-dealers are compensated by accounts holders through the commissions and other transaction or asset-based fees for securities trades that are executed through them.

We are independently owned and operated and we are not affiliated with Schwab. Our considerations in recommending Schwab are based on a number of factors including but not limited to their historical business relationship with us and their financial strength, reputation, execution capability, pricing, research and services, relatively low transaction and commission fees and reporting ability.

Schwab provides various products and services that assist us in managing and administering client accounts, such as software and technology that (i) provide access to client account data (such as trade confirmation and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate the payment of the advisory fees from its client accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

In addition, Schwab offers other services that are intended to help us manage and further develop our business. These services may include: (i) compliance, legal and business consulting; (ii) publications and conferences on practice management and business succession; and (iii) access to employee benefit providers, human capital consultants and insurance providers. Additionally, Schwab may make available, arrange and/or pay third-party vendors for the types of services rendered to us. Schwab may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to us. Schwab may also provide other benefits such as educational events or occasional business entertainment of our staff.

In evaluating whether to recommend that our clients establish brokerage/custodial accounts with Schwab, we may take into account the availability of some of the foregoing products, services and other arrangements offered to us as part of the total mix of factors we consider and not solely the nature, cost or quality of custody and brokerage services provided to

us by Schwab, which may be perceived as creating a potential conflict of interest. We receive no referrals from Schwab in exchange for using their services.

B. Conflict of Interest Disclosure

In establishing a business relationship with Schwab, in addition to the benefits outlined above, Korving & Co. has been the recipient of financial assistance from Schwab in the form of funds used to defray some of our advertising expenses and pay for expenses related to the preparation and review of our Policies & Procedures Manual. Because we have received and continue to receive an economic benefit from our relationship with Schwab, we have a potential conflict of interest in recommending that clients use Schwab as custodian and executing broker. However, you do not pay more for custodial assets maintained with, or transactions executed through Schwab as result of this arrangement.

Our Chairman & Chief Compliance Officer, Arie J. Korving, is available to address any questions you may have regarding the above arrangement and any corresponding perceived conflict of interest any such arrangement may create.

C. Best Execution

Although the commissions and/or transaction fees paid by our clients generally comply with our duty to obtain best execution, you may pay a commission that is higher than what another qualified broker-dealer might charge to effect the same transaction when we determine, in good faith, that the commission/transaction fee is reasonable in relation to the value of the brokerage and research services we receive. In seeking best execution, the determining factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although we will seek competitive rates, we may not necessarily obtain the lowest possible commission rates for client transactions. The brokerage commissions or transaction fees charged by the broker-dealer/custodian are exclusive of, and in addition to, our investment management fee. Our best execution responsibility is qualified if the securities we purchase for you are no-load mutual funds that are traded at net asset value as determined at the daily market close.

D. Aggregation and Allocation of Transactions

Although each client's portfolio accounts are individually managed, we may purchase or sell the same securities at the same time for multiple clients. When this occurs it is often advantageous to aggregate the securities of multiple clients into one trading block for execution. If your portfolio securities are purchased or sold in an aggregated transaction with the securities of other clients, you will all receive the same execution price, and if the aggregated purchase or sale involves several executions to complete the transaction, you will all receive the average price paid or received on the aggregated transaction.

However, if an aggregated transaction results in only a partial execution and the equal allocation of the partial execution amongst multiple clients would result in an inefficient trading unit in client portfolios, we reserve the right to allocate the transaction to specific individual

clients on an equitable rotational basis so that over time no client is disadvantaged in the management of its portfolio.

Item 13: Review of Accounts

A. Frequency and Nature of Periodic Reviews

If we provide you with investment supervisory services, our portfolio managers will monitor your account on a continuous basis and will conduct a formal review of your account(s) on at least an annual basis.

B. Factors That Trigger a Non-Periodic Review of Client Accounts

In addition, factors may develop that will cause us to conduct additional and more frequent reviews. These factors may include, but are not limited to, significant market volatility, changes in your investment objectives, or significant restructuring of your portfolios.

You are advised that it remains your responsibility to inform us of any changes in your investment objectives and/or financial situation. You are encouraged to comprehensively review financial planning issues, investment objectives and account performance with us at least on an annual basis.

C. Reports to Clients

You are provided transaction confirmation notices and regular summary account statements directly from your broker-dealer/custodian and/or program sponsor for your account(s). As a client for whom we provide investment supervisory services you will also receive periodic reports (at least annually) from us summarizing account activity and performance.

Item 14: Client Referrals & Other Compensation

A. Economic Benefits Provided by Third Parties for Advice

We do not receive any economic benefit, directly or indirectly from any third party for advice rendered to our clients.

B. Compensation to Non-Advisory Personnel for Client Solicitation or Referrals

Korving & Co. does retain any person or entity to solicit prospective clients on our behalf and we do not pay any compensation to any entity or person for client referrals.

Item 15: Custody

As previously mentioned, we recommend that our clients establish brokerage/custodial accounts with Schwab, a FINRA registered broker-dealer and member of SIPC, to maintain custody of client assets. In addition to offering our clients custody services, Schwab provides us execution services on client transactions. Although we may recommend you establish an

account at Schwab, it is ultimately your decision to custody assets with Schwab. Korving & Co. is independently owned and operated and we are not affiliated with Schwab.

Schwab generally does not charge separately for custody services but is compensated by accounts holders through the commissions and other transaction related or asset-based fees for securities trades executed through Schwab.

Item 16: Investment Discretion

If you retain us to provide advisory services on a discretionary basis you grant us full discretion over the selection and quantity securities to be purchased or sold for your account[s]. However, our investment authority and discretion is subject to specified investment objectives, guidelines and/or conditions that you establish. For example, you may specify that investments be made only in certain types of fixed income securities, or you may place restrictions on the quantity or percentage of particular securities that may be held in your portfolio.

If your assets are managed on a non-discretionary basis you retain the right to approve or disapprove specific investment recommendations that we make in connection with the management of your accounts. As a non-discretionary client you are not obligated to follow the investment recommendations that we provide. However, after receiving your approval in connection with a specific recommendation, we will execute the transaction on your behalf through Schwab.

Item 17: Voting Client Securities (Proxy Voting)

We do not vote client proxies. As a result, you will maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by you are to be voted, and (2) making all decision regarding mergers, acquisitions, tender offers, bankruptcy proceedings or other events related to your investment assets. As a result, you should instruct your custodian to forward you copies of all proxies and shareholder communications received in connection with your investment assets.

Item 18: Financial Information

A. Balance Sheet

Korving & Co. is not required to attach a balance sheet for its most recent fiscal year because we do not require the prepayment of more than \$1,200 in fees per client, six months or more in advance.

B. Financial Condition

We are not aware of any financial condition that would impair our ability to meet our contractual commitments to our clients.

C. Bankruptcy Petitions in Previous Ten Years

We have not been subject of a bankruptcy petition in the last ten years.

Item 19: Requirements for State Registered Advisers

A. Educational & Business Background of Principal Management

The educational and business background of Arie J. Korving, Chairman and Chief Compliance Officer, and Stephen J. Korving, President, are provided in the Investment Adviser Firm Brochure Supplement (ADV Part 2B of Form ADV), which is provided to you separately from this brochure.

B. Other Business Activities

Neither Korving & Co. nor any of its staff is engaged in any other business activity. Please also see Item 10: Other Financial Industry Activities & Affiliations and the Investment Adviser Firm Brochure Supplement (ADV Part 2B of Form ADV).

C. Performance Based Fees

Korving & Co.'s fees are set forth at Item 5: Fees & Compensation and are set forth at Schedule A of the Investment Advisory Agreement that is entered into between the client and Korving & Co. at the time we are retained to provide our services. Korving & Co. does not receive performance based fees for its services.

D. Disciplinary Information

Neither Korving & Co. nor any of its staff has disclosures of any kind to report as set forth at Item 9: Disciplinary Information.

E. Relationships with Issuers

Korving & Co. has no relationship or arrangement with any issuer of securities. See Item 10: Other Financial Industry Activities & Affiliations regarding our financial industry activities and affiliations.