

PLAN TO INVEST CAPITAL MANAGEMENT, INC.

FIRM BROCHURE

FEBRUARY 17, 2012

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This brochure provides information about the qualifications and business practices of Plan to Invest Capital Management, Inc. If you have any questions about the contents of this brochure, please contact us at (303) 221-0949. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Plan to Invest Capital Management, Inc. is a registered investment adviser. Registration of an Investment Adviser does not imply any 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.

Additional information about Plan to Invest Capital Management, Inc. is available on the SEC's website www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. The CRD number for the Advisor is 153726.

2. MATERIAL CHANGES

The last update of this brochure was March 8, 2011. Since that update the firm has relocated to 8400 E. Crescent Parkway, Suite 320, Greenwood Village, CO 80111.

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4. ADVISORY BUSINESS

a. OWNERSHIP/ADVISORY BUSINESS

Plan to Invest Capital Management, Inc. (“we” or “the Firm”) was formed as a corporation in the State of Colorado on April 7, 2010. It subsequently became a registered investment adviser under the jurisdiction of the Securities and Exchange Commission on May 17, 2010. The Firm’s shareholders are John C. Panter and Michael K. Hartmann.

b. ADVISORY SERVICES OFFERED

1. Portfolio Management Services

Plan to Invest Capital Management, Inc. manages individual Client portfolios by applying a proprietary analysis system. The Firm will design individual Client accounts using a combination of its six portfolios. The design will take into account a Client’s risk tolerance and stated goals.

1. **Active Asset Equity Rotation Strategy** -Uses equity mutual funds to track the relative strength of the economy’s various sectors.
2. **Active Asset Bond/Fixed Income Rotation Strategy**-Uses fixed income mutual funds to track the relative strength of various fixed income sectors of the economy.
3. **U.S. Equity Absolute Return Strategy**-Uses the Firm’s proprietary analysis software to create an equity portfolio that consists of mutual funds that can be leveraged as much as 200% long or 200% short of the equity markets.
4. **U.S. Fixed Income Absolute Return Strategy**-Uses the Firm’s proprietary analysis software to create a fixed income portfolio that consists of mutual funds that can be leveraged as much as 200% long or 200% short of the fixed income markets.
5. **Global Strategic Equity Allocation Strategy**-Uses equity invested mutual funds in buy and hold strategy. The allocations are rebalanced as dictated by the strategy but no less than annually.
6. **Global Strategic Fixed Income Allocation Strategy**-Uses fixed income invested mutual funds in buy and hold strategy. The allocations are rebalanced as dictated by the strategy but no less than annually.

The Firm’s investment adviser accounts are discretionary-the Clients will be asked to sign an investment management agreement that includes a limited power of attorney. The agreement allows the Firm to buy or to sell securities it has selected, within the tolerance agreed to by the Client, and in the amounts the Firm deems suited to the agreed upon portfolio structure. By the

power of attorney, the Client agrees to allow the Firm to place each such trade or move in and out of a portfolio without the Client's prior approval.

2. Financial Planning Services

The Firm offers Clients Financial Planning Services to evaluate their financial situation, goals and risk tolerance. Through a series of personal interviews and the use of questionnaires the Firm will collect pertinent data, identify goals, objectives, financial problems, potential solutions, prepare specific recommendations and implement recommendations. As a result of these actions, the Firm's advice may be provided on financial and cash management, risk management, financial issues relating to divorce or marital issues, estate planning, tax issues, retirement planning, educational funding, goal setting, or other needs as identified by the Client and Firm. The Firm may offer comprehensive planning services or the Client may desire advice on certain planning components; the Firm can tailor services as desired by the Client. At the conclusion of the Financial Planning Service the Firm shall present the Client with a written financial plan.

Clients are not obligated to follow the Firm's recommendations or to pursue the recommendations through it.

3. Subscription Services

The Firm publishes a monthly newsletter through its secure website. The newsletter includes a market overview and a general analysis regarding specific sectors of the economy and various markets. The newsletter is available by subscription.

The newsletter is for educational purposes only and does not render advice on the basis of specific investment situations for any particular Client. As such, the views expressed in the newsletter do not constitute investment advice and should not be interpreted as a recommendation to buy, hold or sell any particular security. Prior to making any investment decision, the services of an appropriate professional should be sought. It is important to know that actual investment decisions made by the Firm may not necessarily reflect the views expressed in the newsletter because the Firm's portfolios are managed with a specific goal and risk tolerance in mind. The Firm has a fiduciary duty to its Clients and not to newsletter subscribers, an important distinction.

c. TAILORED SERVICES

The Firm tailors its financial planning services to each Client individual situation. At the conclusion of the financial planning process Clients will receive a personalized written financial plan. Portfolio management services are tailored to the extent that a Client's assets may be allocated to one or more of the Firm's six portfolios depending on his/her individual portfolio

structure. The Firm does not allow Clients to restrict the type of securities used in its portfolio management services.

d. WRAP PROGRAM

Plan to Invest Capital Management, Inc. does not participate in any wrap programs.

e. CLIENTS ASSETS MANAGED

As of December 31, 2011, the Adviser manages \$25,000,000 in discretionary assets and \$5,000,000 in non-discretionary assets.

5. FEES AND COMPENSATION

a. PORTFOLIO MANAGEMENT SERVICES FEES

Fees for portfolio supervisory services will be a percentage of the assets under management. Fees will be calculated, accrued and due quarterly in advance based upon the standard annualized rates below.

Fair Market Value of Account	Management Fee
The First \$500,000	1.90%
The Next \$500,000	1.40%
Above \$1,000,000	0.90%

The management fee is tiered. A tiered fee means the applicable rate will be applied to the fair market value in each applicable range of account value. For example, an account with a quarter-end value of \$800,000 will be charged at an annual rate of \$13,700.00; \$9,500.00 for the first \$500,000.00 and \$4,200.00 for the next \$300,000.00. (The charged amount will be prorated for the number of days in the quarter.) Cash balances and investments in money market funds, demand deposit accounts, and certificates of deposit at banks or brokerage firms are covered by the Account and are included in the fee calculations.

Under some circumstances the Firm's fees may be lower than the rate schedule and can be negotiated. Accordingly, rates may vary based on a variety of factors. For example, in determining fees, rates, and minimums, the Firm may aggregate related accounts and, for billing purposes, treat them like one account.

Fees will not be based upon a share of capital gains or capital appreciation of the funds or of any portion of the funds under advisory contract. Fees for services to be performed will not be collected six or more months in advance.

The Firm may from time to time unilaterally amend our fees and billing arrangements. Any change will only become after thirty (30) days prior written notice.

Termination of the Portfolio Management Services Fee

A Client may terminate the Investment Management Agreement for any reason at any time and within the first five (5) business days after signing the contract, without cost or penalty.

Thereafter, the contract may be terminated at any time by giving ten (10) days written notice to the Firm at 8400 E. Crescent Parkway, Suite 320, Greenwood Village, CO 80111. Upon termination, the Client will be charged a \$100.00 termination fee and investment advisory fees will be refunded based upon a prorated number of days that services were rendered after the Account's valuation date.

b. FINANCIAL PLANNING SERVICE

The Firm's hourly rate will not exceed \$200.00 per hour with a minimum planning fee of \$200.00 and a maximum fee of \$5,000.00. The fees vary depending upon the complexity of the Client's financial situation, the estimate of hours involved, preparation and research, and the specified areas. The Firm will provide an estimated fee in the written agreement for services.

Fees for all financial planning services are agreed upon in advance in writing and due at that time. For prepaid fees in excess of \$500.00, services will be completed within six months of the date fees are received.

Termination of Financial Planning Services

A Client may cancel all Financial Planning Service Agreement for any reason during the first five (5) days from the date of signing the agreement and will receive a refund of 100% of all fees paid without cost or penalty. To cancel the agreement, a Client must notify the Firm and return any materials received to that date. Thereafter, the contract may be terminated at any time by giving written notice to the Firm at 8400 E. Crescent Parkway, Suite 320, Greenwood Village, CO 80111. If a Client cancels, any prepaid fees will be refunded on a prorated basis based upon the number of hours worked.

c. SUBSCRIPTION SERVICES

The Firm publishes a monthly newsletter through its secure website. The fee is \$799.00 per year, which is paid annually in advance.

Termination of Subscription Services

A Client may terminate the Subscription Service for any reason at any time and within the first five (5) business days after signing the contract, without cost or penalty. Thereafter, the contract

may be terminated at any time by giving ten (10) days written notice to the Firm at 8400 E. Crescent Parkway, Suite 320, Greenwood Village, CO 80111. Upon termination, fees will be refunded based upon a prorated number of months that the newsletter was sent distributed.

d. OTHER SECURITIES COMPENSATION

The Firm is not associated with any other securities firms, investment adviser or broker-dealer. It does not receive any other form of securities related compensation.

However, Mr. Panter and Mr. Hartmann are registered representatives of CIM Securities, Inc., a registered broker-dealer. Through this registration they can sell securities to Clients separately from their services as an investment adviser representative of the Firm. All sales through CIM Securities, Inc. pay commissions that are separate from the fees outlined above. This creates a conflict of interest because it creates a financial incentive to recommend investment products based on compensation rather than on a Client's need. Mr. Panter and Mr. Hartmann address the conflict of interest by telling Clients when they are acting as a representative of CIM Securities, Inc. or as their investment adviser representative of the Firm. When receiving a recommendation to purchase other investment products, Clients always have the option to purchase the investment products through other brokers or agents that are not affiliated with the Firm. Additionally, they and the Firm and its representatives attempt to mitigate any conflicts of interest to the best of their ability by placing the Clients interests ahead of their own, through their fiduciary duty and through the implementation of policies and procedures that address the conflict.

6. PERFORMANCE-BASED FEES AND SIDE BY SIDE MANAGEMENT

The Adviser does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a Client).

7. TYPES OF CLIENTS

The Firm offers its services to individuals, pension and profit sharing plans, trusts, estates, or charitable organizations and corporations and other business entities.

The Firm requires a minimum account size of \$50,000.00. The Firm may aggregate related accounts in the same household in determining whether the account minimum has been met. Minimums may be negotiated, reduced or waived for individuals or retirement plans that appear to have the ability to make annual or other contributions necessary to meet this minimum threshold, or as an accommodation to existing clients.

8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

a. METHODS OF ANALYSIS AND INVESTMENT STRATEGIES

The Firm uses a tactical asset allocation approach to selection securities for its portfolios. Tactical asset allocation is defined as an active management portfolio strategy that rebalances the percentage of assets held in various categories in order to take advantage of market pricing anomalies or strong market sectors. This strategy's goal is to create extra value by taking advantage of certain situations in the marketplace. It is a moderately active trading strategy because the Firm will return to the portfolio's original strategic asset mix when desired short-term allocations are achieved.

In particular, the Firm's tactical asset allocation approach selects securities through a risk/reward valuation. A "best fit" risk profile is developed for each person based on tolerance of market volatility. When deciding on the asset allocation for a portfolio, the Adviser studies various market indicators such as financial newspapers and magazines, inspections of corporate activities, research prepared by other advisers, annual reports, prospectuses, filings with the Securities and Exchange Commission and company press releases and other market related filings.

b. INVESTMENT RISKS

All investments bear different types and degrees of risk and **investing in securities involves risk of loss that Clients should be prepared to bear.** While our investment strategies are designed to provide appropriate investment diversification, some investments have significantly greater risks than others. Obtaining higher rates of return on investments entails accepting higher levels of risk. Recommended investment strategies seek to balance risks and rewards to achieve investment objectives. Clients need to ask questions about risks they do not understand. We would be pleased to discuss them.

We strive to render our best judgment on behalf of our Clients. Still, we cannot assure or guarantee Clients that investments will be profitable or assure that no losses will occur in an investment portfolio. Past performance is an important consideration with respect to any investment or investment adviser but is not a reliable predictor of future performance. We continuously strive to provide outstanding long-term investment performance, but many economic and market variables beyond our control can affect the performance of an investment portfolio.

An investment could lose money over short or even long periods. A Client should expect his/her account value and returns to fluctuate within a wide range, like the fluctuations of the overall stock and bond markets. The Firm's performance could be hurt by:

- **Stock market risk:** The chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising stock prices and periods of falling stock prices.
- **Interest rate risk:** The chance that bond prices overall will decline because of rising interest rates. Interest rate risk will vary for the Firm, depending on the amount of Client assets invested in bonds.
- **Manager risk:** The chance that the proportions allocated to the various securities will cause the Client's account to underperform relevant to benchmarks or other accounts with a similar investment objective.

Additionally, there are risks associated with active investment management. The fees associated with active management can be higher than those associated with passive management, even if frequent trading is not present. Active investment management strategies can involve frequent trading that could generate higher transaction costs which diminish the portfolio's return. Finally, the short-term capital gains resulting from frequent trades often have an unfavorable income tax impact when a Client's funds are held in a taxable account.

c. RECOMMENDED SECURITIES AND THEIR RISKS

The Adviser recommends several types of securities. They and their risks are as follows:

Mutual Funds

Definition – A mutual fund is a professionally managed type of collective investment scheme that pools money from many investors and invests typically in investment securities (stocks, bonds, short-term money market instruments, other mutual funds, other securities, and/or commodities such as precious metals). The mutual fund will have a fund manager that trades (buys and sells) the fund's investments in accordance with the fund's investment objective.

Risks:

- Every type of investment, including mutual funds, involves risk. Risk refers to the possibility that you will lose money (both principal and any earnings) or fail to make money on an investment. A mutual fund's investment objective and its holdings are influential factors in determining how risky a fund is. Reading the prospectus will help a Client to understand the risk associated with that particular fund.

- Generally speaking, risk and potential return are related. This is the risk/return trade-off. Higher risks are usually taken with the expectation of higher returns at the cost of increased volatility. While a fund with higher risk has the potential for higher return, it also has the greater potential for losses or negative returns. The school of thought when investing in mutual funds suggests that the longer your investment time horizon is the less affected you should be by short-term volatility. Therefore, the shorter your investment time horizon, the more concerned you should be with short-term volatility and higher risk.
- Different mutual fund categories have inherently different risk characteristics and should not be compared side by side. A bond fund with below-average risk, for example, should not be compared to a stock fund with below average risk. Even though both funds have low risk for their respective categories, stock funds overall have a higher risk/return potential than bond funds.
- Of all the asset classes, cash investments (i.e. money markets) offer the greatest price stability but have yielded the lowest long-term returns. Bonds typically experience more short-term price swings, and in turn have generated higher long-term returns. However, stocks historically have been subject to the greatest short-term price fluctuations—and have provided the highest long-term returns.
- Mutual funds face risks based on the investments they hold. For example, a bond fund faces interest rate risk and income risk. Bond values are inversely related to interest rates. If interest rates go up, bond values will go down and vice versa. Bond income is also affected by the change in interest rates. Bond yields are directly related to interest rates falling as interest rates fall and rising as interest rise. Income risk is greater for a short-term bond fund than for a long-term bond fund.
- Similarly, a sector stock fund (which invests in a single industry, such as telecommunications) is at risk that its price will decline due to developments in its industry. A stock fund that invests across many industries is more sheltered from this risk defined as industry risk. Stock funds also have the same risks as described above under equities.

Inverse and Leveraged Mutual Funds

Inverse Mutual Fund Definition – Inverse Mutual Funds, which are often referred to as “short” funds, seek to deliver the opposite of the performance of the index or benchmark they track. They seek to increase in value when the market declines and decrease in value when the market rises—a result that is the opposite of traditional mutual funds. Inverse funds are often used to

profit from or hedge exposure to downward-moving markets. They are designed for sophisticated investors who actively managing their portfolios on a daily basis.

Leveraged Mutual Fund Definition – Leveraged Mutual Funds seek to deliver multiples of the performance of the index or benchmark they track. Leverage causes the value of a fund's shares to be more volatile than if the fund did not use leverage. The use of leverage means that an investor's returns may be significantly worse than the decline in the value of an underlying index or benchmark. Investors should be aware that such funds often do not allow for intraday orders such as stops or limits. As well, the use of borrowing or other forms of leverage provides the potential for greater gains and losses than those of the underlying index.

Inverse and Leveraged Mutual Fund Definition – Some funds are both Inverse and Leveraged, such that they seek to achieve a return that is a multiple of the opposite performance of the underlying index or benchmark. Such funds are considered speculative and should only be used by investors willing and able to absorb potentially significant losses. As well, many Leveraged and Inverse funds are reset daily, meaning they are designed to achieve their stated objectives on a daily basis.

Risks:

- Leveraged and Inverse Mutual Funds are complicated instruments that should only be used by sophisticated investors who fully understand their risks. Due to the effect of compounding, operating expenses and daily resets, the performance of Leveraged and Inverse funds over longer periods of time can differ significantly from the performance of their underlying index or benchmark.
- The magnitude of this disparity is particularly high in volatile markets. Leveraged and Inverse funds that have daily resets are attempting to achieve their objectives on a daily basis, not over a longer period; as a result, investors should not expect the performance of a Leveraged or Inverse fund over a period of time to resemble the performance of the underlying index or benchmark. An investor in a 2x Leveraged fund that tracks a stock market index (such as the S&P 500®) should not expect his or her returns over one month to be 20% if the S&P 500 increases 10% over that same period of time.
- Investors should be aware that money managers who invest in such funds often do so as part of active trading or asset allocation strategies. These strategies often call for frequent trading to take advantage of anticipated changes in market conditions, which can increase portfolio turnover. Leveraged and inverse funds also generally have higher operating expenses as a percentage of assets than other funds.

- Investors should only purchase a Leveraged or Inverse Mutual Fund if they understand the associated risks and their impact on long term performance. As mentioned, Leveraged and Inverse Mutual Funds are not appropriate for a buy-and-hold strategy, and are typically not designed to be held for more than a day or two since the daily rebalancing process may have a negative impact on returns.
- Investors should only purchase an Inverse Mutual Fund if they understand the risks associated with shorting and the strategy of Inverse performance, where the investment goals of the Mutual Fund are ‘Inverse’ to the performance of its benchmark, a strategy that is the opposite of how most Mutual Funds are managed.

Unit Investment Trusts (“UIT”)

Definition – A unit investment trust is an investment company that purchases a fixed, unmanaged portfolio of securities, such as stocks or bonds, and then sells shares of the trust to investors. The major difference between a UIT and a mutual fund is that mutual funds are actively managed while UIT is not. UITs typically buy a fixed number of securities and hold them for a specific period of time. Once the specific period of time has elapsed, the UIT will sell the securities.

Risks:

- There is no guarantee that the underlying securities will go up in value. The underlying securities prices will fluctuate, which means a Client could lose money by investing in an equity security.
- Different UIT categories have inherently different risk characteristics and should not be compared side by side. A bond UIT with below-average risk, for example, should not be compared to a stock UIT with below average risk. Even though both UITs have low risk for their respective categories, stock UITs overall have a higher risk/return potential than bond UITs.
- UITs face risks based on the investments they hold. For example, a bond UIT faces interest rate risk and income risk. Bond values are inversely related to interest rates. If interest rates go up, bond values will go down and vice versa. Bond income is also affected by the change in interest rates. Bond yields are directly related to interest rates falling as interest rates fall and rising as interest rise. Income risk is greater for a short-term bond fund than for a long-term bond fund.
- Similarly, a sector stock UIT (which invests in a single industry, such as Financial Services) is at risk that its price will decline due to developments in its industry. A stock

UIT that invests across many industries is more sheltered from this risk defined as industry risk. Stock UITs also have the same risks as described above under equities.

9. DISCIPLINARY INFORMATION

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events within the past 10-years that would be material to your evaluation of the Adviser or the integrity of its management.

- a. CRIMINAL DISCLOSURES. A criminal or civil action in domestic, foreign or military court of competent jurisdiction in which the *supervised person*
 - i. Was convicted of, pled guilty or nolo contendere (“no contest”) to (a) any *felony*; (b) a *misdemeanor* that *involved* investments or an *investment-related* business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses;
 - ii. Is the named subject of a pending criminal *proceeding* that involves an *investment-related* business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offense;
 - iii. Was *found* to have been *involved* in a violation of an *investment-related* statute or regulation or
 - iv. Was the subject of any *order*, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, the *supervised person* from engaging in any investment-related activity, of from violating any investment-related statute, rule or order.

Plan to Invest Capital Management, Inc. has no information applicable to this Item.

- b. ADMINISTRATIVE DISCLOSURES. An administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority in which the supervised person
 - i. Was *found* to have caused an *investment-related* business to lose it authorization to do business; or
 - ii. Was *found* to have been involved in a violation of an *investment-related* statute or regulation and was the subject of an order by the agency or authority
 1. Denying, suspending, or revoking the authorization of the supervised person to act in an *investment-related* business;
 2. Barring or suspending the supervised person’s association with an *investment-related* business;
 3. Otherwise significantly limiting the supervised person’s *investment-related* activities; or
 4. Imposing a civil penalty of more than \$2,500 on the supervised person.

Plan to Invest Capital Management, Inc. has no information applicable to this Item.

- c. SELF REGULATORY ORGANIZATION DISCLOSURES. A self-regulatory organization (SRO) proceeding in which the supervised person
 - i. Was *found* to have caused an *investment-related* business to lose its authorization to do business; or
 - ii. Was *found* to have been involved in a violation of the SRO's rules and was (i) barred or suspended from membership or from association with other members, or was expelled from membership; (ii) otherwise significantly limited from investment-related activities; or (iii) fined more than \$2,500.

Plan to Invest Capital Management, Inc. has no information applicable to this Item.

10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

a. BROKER-DEALER AFFILIATIONS

John C. Panter, Chief Executive Officer and Michael K. Hartmann, Chief Investment Officer, are registered representatives of CIM Securities, LLC. They each spend approximately 5 to 10 hours a week on this activity, which is investment related. They may recommend this service to the Firm's Clients. All sales as registered representatives will pay a commission that is separate from the fees outlined above. This creates a conflict of interest because it creates a financial incentive to recommend investment products based on compensation rather than on a Client's need. Mr. Panter and Mr. Hartmann address the conflict of interest by telling Clients when he is acting as the Clients' registered representative of CIM Securities, Inc. or as their investment adviser representative of Plan to Invest Capital Management, Inc. Additionally, the Firm, Mr. Panter and Mr. Hartmann attempt to mitigate any conflicts of interest to the best of their ability by placing the Clients interests ahead of their own, through their fiduciary duty and through the implementation of policies and procedures that address the conflict.

b. FUTURES/COMMODITIES FIRM AFFILIATION

The Firm, its owner and investment adviser representatives are not affiliated with a futures or commodities broker.

c. OTHER INDUSTRY AFFILIATIONS

Mr. Panter and Mr. Hartmann are also independent insurance agents. They spend less than 5 hours a week on this activity, which is investment related. They may recommend this service to the Firm's Clients. All sales as an independent insurance agent pay commissions that are separate from the fees outlined above. This creates a conflict of interest because it creates a financial incentive to recommend insurance sales based on compensation rather than on a Client's need. Mr. Panter and Mr. Hartmann address the conflict of interest by telling Clients when they are acting as the Clients' insurance agent or as their investment adviser representative

of Plan to Invest Capital Management, Inc. Additionally, the Firm, Mr. Panter and Mr. Hartmann attempt to mitigate any conflicts of interest to the best of their ability by placing the Clients interests ahead of their own, through their fiduciary duty and through the implementation of policies and procedures that address the conflict. In addition to their fiduciary duty, the Firm created a code of ethics, policies and procedures to mitigate the conflict of interest.

d. SELECTION AND MONITORING OF THIRD PARTY INVESTMENT ADVISERS

The Adviser does not use the services of third party investment advisers. This section is not applicable.

11. CODE OF ETHICS

a. DESCRIPTION

The Firm's Code of Ethics establishes ideals for ethical conduct upon fundamental principles of openness, integrity, honesty, and trust. The Firm will provide a copy of our Code of Ethics to any Client or prospective Client upon request.

The Firm's Code of Ethics covers all supervised persons and it describes its high standard of business conduct, and fiduciary duty to its Clients. The Code of Ethics includes provisions relating to the confidentiality of Client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at the Firm must acknowledge the terms of the Code of Ethics annually, or as amended.

b. MATERIAL INTEREST IN SECURITIES

The Adviser, its owners and investment adviser representatives do not recommend the purchase or sale of securities in which they have a material financial interest.

c. INVESTING IN THE SAME SECURITIES

The Firm does not have a proprietary trading account and therefore does not trade securities for itself.

On occasion, the Firm's owner and investment adviser representatives may buy or sell for their own accounts securities that are the same as, similar to, or different from those that they recommend to their Clients for purchase or sale. Differences can arise due to variations in personal goals, investment horizons, risk tolerance, and the timing of purchases and sales. The Firm attempts to mitigate the conflict of interest to the best of its ability through the enactment of the Firm's code of ethics, trading policies, and its fiduciary responsibilities. Nonetheless, the

Firm generally attempts to place Client transactions ahead of the owner and investment adviser representative's trades. The associates of the Firm are aware of their fiduciary duty to their Clients and the prohibitions against the use of any insider information. Records of all associates' proprietary trading activities will be kept by the Firm, available to regulators to review on the premises.

d. RECOMMENDING THE SAME SECURITIES

The Firm does not have a proprietary trading account and therefore does not trade securities for itself.

On occasion, the Firm's owner and investment adviser representatives may buy or sell for their own accounts securities that are the same as, similar to, or different from those that they recommend to their Clients for purchase or sale. Differences can arise due to variations in personal goals, investment horizons, risk tolerance, and the timing of purchases and sales. The Firm attempts to mitigate the conflict of interest to the best of its ability through the enactment of the Firm's code of ethics, trading policies, and its fiduciary responsibilities. Nonetheless, the Firm generally attempts to place Client transactions ahead of the owner and investment adviser representative's trades. The associates of the Firm are aware of their fiduciary duty to their Clients and the prohibitions against the use of any insider information. Records of all associates' proprietary trading activities will be kept by the Firm, available to regulators to review on the premises.

12. BROKERAGE PRACTICES

a. RECOMMENDATION CRITERIA

Recommended Brokerage

When we have brokerage discretion, we will seek broker-dealers who offer competitive commission costs together with reliable services. The Firm has and continues to recommend Charles Schwab & Co., Inc. for custodian services. The Firm recognizes its fiduciary responsibility in negotiating custodian fees, assuring best execution practices and adequate investment availability/inventory on behalf of its Clients. The Firm does not receive compensation with respect to execution of trades. In some instances, a Client may incur a ticket charge for the sale and purchase of securities.

Brokerage for Client Referrals

The Firm does not receive Client referrals from Charles Schwab & Co., Inc.

Directed Brokerage

A Client's choice of another broker-dealer is accepted if proven feasible. Some Clients may direct the Firm to a specific custodian to execute securities transactions for their accounts. When directed, the Firm may not be able to effectively negotiate lower custodian fees. This can result in substantially higher fees or charges in one or more transactions for the Client's accounts.

NOTE: Clients may be able to obtain lower custodian fees from other brokers, and the value of products, research and services given to the Firm is not a factor in determining the selection of custodians or the reasonableness of their fees.

b. TRADE AGGREGATION

When trading multiple accounts for the same security, the Firm will aggregate orders to a single block order against an average price account. The Firm only uses investment companies (i.e. mutual funds or unit investment trusts) in its portfolios, which means all clients will receive the same end of the trading day price on traded securities. Still, the aggregating of trades may reduce the transaction costs to the Client.

13. REVIEW OF ACCOUNTS

a. PERIODIC REVIEWS

Mr. Hartmann and/or Mr. Panter meet with Clients on an annual basis. They review the general holdings of the Firm's Clients actively managed accounts (portfolios 1-4 above) on a weekly basis and all other accounts on a quarterly basis. Mr. Hartmann, Chief Investment Officer, and Mr. Panter, Chief Executive Officer, review all accounts.

b. OTHER REVIEWS

Additional reviews are conducted periodically depending on market conditions, economic or political events, or by changes in a Client's financial situation (such as retirement, termination of employment, physical move or inheritance).

c. REPORTS

The Firm prepares reports for Clients who chose Financial Planning and the actively managed portfolios (portfolios 1-4 above). Clients who chose portfolios 5 and 6 (above) may or may not receive a report. Clients also receive monthly statements from their custodian. The Firm urges Clients to carefully review such statements.

14. CLIENT REFERRALS AND OTHER COMPENSATION

a. OTHER COMPENSATION

The Firm does not receive extra compensation or any other economic benefit for providing investment advice or other advisory services to Clients.

b. CLIENT REFERRALS

The Firm does not pay for Client referrals or use solicitors. This section is not applicable.

15. CUSTODY

All Client funds, securities and accounts are held at third-party custodians. The Adviser does not take possession of a Client's securities. However, the Client will be asked to authorize the Adviser in writing with the ability to deduct fees directly from the Client's account. This authorization will be to deduct the Adviser's management fee only.

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains Client's investment assets. The Adviser urges you to carefully review such statements.

16. INVESTMENT DISCRETION

As previously noted in the description services, all Clients who desire to use the Firm's Portfolio Management Services sign a Client investment management agreement that includes a limited power of attorney allowing the Firm limited discretionary power over the account. In discretionary accounts, the Firm will be allowed the power to choose a custodian, place trades, buy or sell securities of any type and in amounts it deems to be appropriate for the account, without first obtaining the Client's consent to each trade. Directions will be given to the account custodian to complete the transaction. Clients must use an independent custodian. The Firm does not, and cannot, have custody of Clients' assets.

The Firm's Planning Services are nondiscretionary. A non-discretionary investment account means the Client retains full discretion to supervise, manage, and direct the assets of the account. The Client maintains full power and authority to purchase, sell, invest, reinvest, exchange, convert, and trade the assets in the Account in any manner deemed appropriate and to place all orders for the purchase and sale of Account assets with or through brokers, dealers, or issuers selected by the Client. The Client is free to manage the account with or without the recommendation of the Firm and all with or without prior consultation with the Firm.

17. VOTING CLIENT SECURITIES

Unless otherwise mutually agreed in writing, the Adviser will **not** be responsible for responding to proxies that are solicited with respect to annual or special meetings of shareholders of securities held in Clients' accounts. Proxy solicitation materials will be forwarded to Clients for response and voting. In the event a Client has a question about a proxy solicitation, the Client should contact his/her investment adviser representative.

18. FINANCIAL INFORMATION

a. BALANCE SHEET

The Adviser does not require or solicit prepayment of more than \$500 in fees per Client, six months or more in advance. Therefore, it is not required to provide a balance sheet.

b. FINANCIAL CONDITION

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about the Adviser's financial condition that may impair its services. The Adviser has no financial commitment that impairs its ability to service its Clients.

c. BANKRUPTCY

The Adviser, its owners and its investment adviser representatives have not been the subject of a bankruptcy proceeding.