

Firm Brochure
(Part 2A of Form ADV)

Taddei, Ludwig & Associates, Inc
999 Fifth Avenue, Suite 300
San Rafael, CA 94901
415-456-2292
415-456-2935 (Fax)
www.tlafinancial.com
kirk@tlafinancial.com

This brochure provides information about the qualifications and business practices of Taddei, Ludwig & Associates, Inc. If you have any questions about the contents of this brochure, please contact us at: 415-456-2292, or by email at: kirk@tlafinancial.com. 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.

Additional information about Taddei, Ludwig & Associates, Inc. is available on the SEC's website at www.adviserinfo.sec.gov. CRD # 152506.

07-12-2013

Material Changes

Annual Update

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

Summary of Material Changes (Since January 23, 2013)

- New Account Minimum As of May 24, 2013 Taddei, Ludwig & Associates has amended its account minimum.
-

Full Brochure Available

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: 415-456-2292 or by email at:

kirk@tlafinancial.com

Table of Contents

| | |
|---|-----------|
| Material Changes..... | i |
| Annual Update | i |
| Full Brochure Available | i |
| Advisory Business | 1 |
| Firm Description..... | 1 |
| Principal Owners..... | 1 |
| Types of Advisory Services..... | 1 |
| Tailored Relationships | 2 |
| Types of Agreements..... | 2 |
| Financial Planning Engagement | 2 |
| Investment Management Services Agreement | 2 |
| Third Party Money Management..... | 3 |
| Business Consulting | 4 |
| Retirement Plan Advisory Services..... | 4 |
| Hourly Planning Engagements | 9 |
| Termination of Agreement | 9 |
| Fees and Compensation | 9 |
| Description..... | 9 |
| Fee Billing | 9 |
| Other Fees..... | 9 |
| Expense Ratios..... | 10 |
| Past Due Accounts and Termination of Agreement | 10 |
| Performance-Based Fees | 10 |
| Sharing of Capital Gains | 10 |
| Types of Clients..... | 10 |
| Description | 10 |
| Account Minimums..... | 11 |
| Methods of Analysis, Investment Strategies and Risk of Loss..... | 11 |
| Methods of Analysis..... | 11 |
| Investment Strategies | 11 |
| Risk of Loss | 11 |

| | |
|--|-----------|
| Disciplinary Information | 13 |
| Legal and Disciplinary..... | 13 |
| Other Financial Industry Activities and Affiliations | 13 |
| Financial Industry Activities..... | 13 |
| Affiliation with Cambridge Investment Research, Inc. | 13 |
| Affiliation with other Insurance Agencies | 14 |
| Code of Ethics, Participation or Interest in Client Transactions and Personal Trading | 14 |
| Code of Ethics | 14 |
| Participation or Interest in Client Transactions..... | 14 |
| Personal Trading..... | 14 |
| Brokerage Practices..... | 14 |
| Selecting Brokerage Firms..... | 14 |
| Best Execution | 15 |
| Order Aggregation | 15 |
| Review of Accounts | 15 |
| Periodic Reviews | 15 |
| Review Triggers..... | 15 |
| Regular Reports..... | 15 |
| Client Referrals and Other Compensation | 15 |
| Incoming Referrals..... | 15 |
| Referrals Out | 15 |
| Other Compensation..... | 16 |
| Custody | 16 |
| Account Statements..... | 16 |
| Performance Reports..... | 16 |
| Net Worth Statements..... | 16 |
| Investment Discretion..... | 16 |
| Discretionary Authority for Trading..... | 16 |
| Limited Power of Attorney..... | 16 |
| Voting Client Securities | 16 |
| Proxy Votes | 16 |

| | |
|---|-----------|
| Financial Information | 17 |
| Financial Condition | 17 |
| Business Continuity Plan | 17 |
| General | 17 |
| Disasters | 17 |
| Alternate Offices | 17 |
| Loss of Key Personnel | 17 |
| Information Security Program..... | 17 |
| Information Security | 17 |
| Privacy Notice | 17 |
| Brochure Supplement (Part 2B of Form ADV) | 18 |
| Education and Business Standards | 18 |
| Professional Certifications | 18 |
| Kirk M Ludwig, ChFC®, CFP®, Chief Financial Officer, Chief Investment Officer | 19 |
| Matthew F Taddei, ChFC®, CFP®, President & Chief Executive Officer | 20 |
| Diane McCracken, ChFC®, C(k)P®, Chief Compliance Officer, Secretary & Treasurer | 22 |
| Scot Elrod, Financial Advisor | 23 |
| Jack Nixon, ChFC®, Financial Advisor | 24 |
| John F. Hammond, ChFC®, Financial Advisor | 25 |
| Paul Kingsman, Financial Advisor..... | 27 |

Advisory Business

Firm Description

Taddei, Ludwig & Associates, Inc, (TLA) was founded in 1989 and incorporated in 2007 and previously offered advisory services through AXA Advisors (1989-2007) and Cambridge Investment Research Inc. (2007-2010). TLA provides personalized confidential financial planning, qualified plan and business consulting and investment management to individuals, pension and profit sharing plans, defined benefit plans, trusts, estates, charitable organizations, and small to mid-size businesses. Advice is provided through consultation with the client and may include: determination of financial objectives, identification of financial problems, cash flow management, tax planning, insurance review, investment management, education funding, retirement planning, and estate planning.

TLA provides fee based financial planning, qualified plan consulting, business consulting & fee based investment advisory services. Investment Advisor Representatives (IAR) of TLA who are also registered representatives through Cambridge Investment Research Inc., a Broker Dealer, may recommend annuities, insurance, stocks, bonds, mutual funds, limited partnerships, or other commissioned products.

Investment advice is an integral part of financial planning. In addition, TLA advises clients regarding cash flow, college planning, retirement planning, tax planning and estate planning.

TLA does not act as a custodian of client assets. The client always maintains asset control. TLA places trades for clients under a limited power of attorney.

A written evaluation of each client's initial situation is provided to the client, often in the form of a net worth statement. Periodic reviews are also communicated to provide reminders of the specific courses of action that need to be taken. More frequent reviews occur but are not necessarily communicated to the client unless immediate changes are recommended.

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) are engaged directly by the client on an as-needed basis. Conflicts of interest will be disclosed to the client in the unlikely event they should occur.

The initial meeting, which may be by telephone, is complimentary and is considered an exploratory interview to determine the extent to which financial planning and investment management may be beneficial to the client.

Principal Owners

Kirk M Ludwig is a 35% stockholder. Matthew Taddei is a 35% stockholder Diane McCracken is a 30% stockholder.

Types of Advisory Services

TLA provides investment supervisory services, also known as investment management services.

TLA manages approximately \$155,000,000 in assets as of 01/10/2013 for approximately 245 clients of which \$6,800,000 is managed on a discretionary basis and \$5,800,00 is managed by third party money managers.

TLA furnishes advice to clients on matters not involving securities, such as financial planning matters, qualified plan design issues, business planning issues, taxation issues, and trust services that often include estate planning.

Tailored Relationships

The goals and objectives for each client are documented in our client relationship management system. Investment policy statements are created that reflect the stated goals and objective. Clients may impose restrictions on investing in certain securities or types of securities.

Types of Agreements

The following agreements define the typical client relationships.

Financial Planning Engagement

A financial plan is designed to help the client with all aspects of financial planning.

The financial plan may include, but is not limited to: a net worth statement; a cash flow statement; a review of investment accounts, including reviewing asset allocation and providing repositioning recommendations; strategic tax planning; a review of retirement accounts and plans including recommendations; a review of insurance policies and recommendations for changes, if necessary; one or more retirement scenarios; estate planning review and recommendations; education planning with funding recommendations; and negotiation of purchase of substantial assets, ie., home or automobile.

Detailed investment advice and specific recommendations are provided as part of a financial plan. Implementation of the recommendations is at the discretion of the client.

The fee for a financial plan is predicated upon the facts known at the start of the engagement. The fee range is \$2,500 to \$5,000 depending on the complexity and scope for comprehensive plans and is negotiable for limited scope plans. Since financial planning is a discovery process, situations occur wherein the client is unaware of certain financial exposures or predicaments.

In the event that the client's situation is substantially different than disclosed at the initial meeting, a revised fee will be provided for mutual agreement. The client must approve the change of scope in advance of the additional work being performed when a fee increase is necessary.

After delivery of a financial plan, future face-to-face meetings may be scheduled as necessary for up to one month. Follow-up implementation work is billed separately at the rate of \$150-\$250 per hour.

Investment Management Services Agreement

An Investment Management Services Agreement may be executed when financial planning is not provided as part of the relationship. The annual fee for an Investment Management Services Agreement is based on assets under management and is *negotiable*. The annual

Advisory Service Agreement fee is based on a percentage of the investable assets. Below is an example of a typical fee schedule:

1.00% on the first \$1,000,000
0.60% on the next \$2,000,000
0.30% on the next \$7,000,000

The minimum annual fee is \$5,500 and is *negotiable*. Current client relationships may exist where the fees are higher or lower than the fee schedule above. TLA or the individual IAR may agree to pay ticket charges on household accounts of \$500,000 or more under management.

Although the Investment Management Services Agreement is an ongoing agreement and constant adjustments are required, the length of service to the client is at the client's discretion. The client or the investment manager may terminate an Agreement by written notice to the other party. At termination, fees will be billed on a pro rata basis for the portion of the quarter completed. The portfolio value at the completion of the prior full billing quarter is used as the basis for the fee computation, adjusted for the number of days during the billing quarter prior to termination.

Third Party Money Management

Lockwood Advisors, Inc.

TLA has established a relationship with Lockwood Advisors, Inc. ("Lockwood") offers a variety of asset management programs that TLA advisor representatives may utilize to manage their client accounts using third party money managers or sub-advisors approved through the Lockwood programs. Lockwood provides administrative and performance reporting services within its program. A complete description regarding this program will be provided in the Lockwood Form ADV Part 2A or similar disclosure document containing at least the information in Form ADV Part 2A, a copy of which will be provided to clients with the TLA advisor representative recommending the use of the Lockwood program.

Schwab Managed Account Services

TLA has established a relationship with Schwab Managed Account Services, a third party managed money program which consists of the Schwab Managed Account Select[®] Program, the Schwab Managed Account Access[®] Program, and the Schwab Managed Account Marketplace[®] Program. These programs provide TLA Advisor Representatives with access to programs that specialize in separate account management, private account management, and timing and multi-disciplined account services. Program sponsors provide full-time professional investment management by quality investment managers. The client's TLA Advisor Representative will assist the client to select the manager(s) most aligned with client's investment style based on the client's individual personal and financial goals, investment objectives, and risk tolerance. A complete description regarding this program and fees will be provided in the Schwab disclosure brochure as well as the sub-advised ADV Part 2A or similar disclosure document, a copy of which will be provided to clients with the TLA advisor recommending the use of the Schwab Managed Account Services.

Symmetry Partners

TLA has established a relationship with Symmetry Partners which offers an asset management program that TLA advisor representatives may utilize to manage their client accounts. Symmetry Partners creates broadly diversified portfolios firmly rooted in the belief that markets are efficient and investment returns are determined by asset allocation, not market timing or stock selection. All portfolios are comprised of institutional-grade mutual funds from Dimensional Fund Advisors (DFA). With DFA, Symmetry applies more than 50 years of Nobel Prize-winning academic research and investment theory from some of the world's most reputable financial academics, including Harry Markowitz, Eugene Fama, Kenneth French, Myron Scholes, William Sharpe, Merton Miller and Paul Samuelson. Based on this research, Symmetry has created passively managed portfolios designed to capture the return behavior of multiple asset classes with the goals of managing risk and providing access to the factors that drive returns. The client is charged Symmetry's fee which is disclosed in Symmetry's ADV Part 2A. A portion of Symmetry's fee, or an additional fee, is deducted from the client account and paid to the Solicitor. The client is also charged a custodian fee and may incur transaction costs such as but not limited to wire fees, commissions, and termination fees. In addition, the client pays fees and expenses related to the mutual funds and the exchange traded funds. A description of the fees and expenses can be found in each fund's prospectus.

Business Consulting

TLA consults with business owners on areas of their business such as key employee retention, succession planning, legacy planning, how to transition the business to family or key employees and how to protect the business against the risk of the owner's premature death or disability. Fees for this service range from \$150-\$250 per hour and or fixed fees range from \$1,000-\$10,000. Fees may be increased, decreased or waived on an individual basis but will be agreed upon in advance, between the Investment Advisory Representative and the Client. All fees are payable to TLA.

Retirement Plan Advisory Services

TLA provides comprehensive qualified and non-qualified retirement plan consulting, investment advice and fiduciary due diligence services, employee and investment education, asset allocation services, plan service provider proposal and vendor research and analysis, and plan design guidance to individuals, qualified and non-qualified retirement plan sponsors, and business entities.

Investment Advice (Plan Level)

TLA shall provide research and analysis with regard to investment advice and fiduciary due diligence services for the Client. TLA shall also provide research and analysis that covers the investment products of several qualified and non-qualified retirement plan providers. The goal of the investment due diligence process is to establish a logical, technical, and comprehensive process that is consistently employed in the selection and ongoing monitoring of funds for plan sponsors and individuals, accompanied by an

investment policy statement (for plan sponsors only), that defines the process utilized to recommend the investments to plan sponsors and individuals.

The Employer (Client of TLA), sponsors a Qualified (or nonqualified) Retirement Plan for the benefit of its employees. The Plan is a qualified or non-qualified employee benefit plan intended to comply with all applicable federal laws and regulations, including the Internal Revenue Code of 1986, as amended, and the Employee Retirement Income Security Act of 1974 (ERISA), as amended, if applicable. In addition, applicable Plans are intended to comply with ERISA Section 404(c). TLA may employ many different calculations, processes, and screening techniques to arrive at specific recommended individual investments within the array of investments offered by each investment provider that is being analyzed including but not limited to the following:

- Investment analysis by asset class (domestic equity, international equity, income, hybrid/managed accounts), including market capitalization (small, medium, and large), and investment objective (value, blend, and growth orientation);
- Performance relative to other investments in the same asset class;
- Investment performance relative to benchmark performance for the same asset class;
- Percentile ranking of investment performance for the same asset class;
- Style-based analysis to determine the impact of an investment being managed differently than its stated investment objective (which is usually a combination of the stated market capitalization category, and investment objective category);
- Macro screens to eliminate long term underperforming investments, funds with total managed assets of less than the minimum threshold deemed to be adequate by TLA;
- Review of Upside and Downside capture, to estimate upside potential and downside risk of each investment;
- Common objective risk and return statistical measurements, such as Sharpe ratio, Treynor ratio, standard deviation, alpha, and betas;
- Common statistically relevant manager value measurements such as information ratio and tracking error;
- R-squared, correlation coefficients, and other statistically relevant information;
- Short and long term historical analysis with any of the above measurements;
- Financial strength, stability, and reputation of the investment provider, and individual investments offered by and through the investment provider;
- Tenure and experience of investment management personnel;
- Investment philosophy, process, and style; and
- Investment fees.

TLA shall provide a draft of the statement of Investment Policy for Client's review. In addition, TLA will evaluate Client's existing Investment Policy Statement and provide recommendations that are consistent with assisting the Client meet their fiduciary obligations, if applicable, under ERISA Section 404(c).

Employee Plan and Investment Education

TLA shall provide group employee enrollment, re-enrollment, and investment education support. The goal of this process is to help employees make educated and informed choices about the plan and investment allocation under the investment education

guidelines set forth by the U.S. Department of Labor. Meetings are offered on an annual, semi-annual, quarterly, or as requested basis. The scope of the meetings will be group and/or individual, and will be conducted on-site and/or as data conferencing.

Employee (Participant) Investment Advice and/or Asset Allocation Models

TLA shall assist Plan Participants in finding the asset mix which is most likely to meet their investment objectives within acceptable risk parameters. Asset class sub-types can include domestic large cap value equity, domestic large cap growth equity, domestic mid-cap value equity, domestic mid-cap growth equity, domestic small cap value equity, domestic small cap growth equity, international equity, core fixed income, short term fixed income, high yield fixed income, and other appropriate asset classes and investments.

401(k) Proposal Vendor Research and Analysis

TLA shall assist Clients with the selection of a plan provider or providers for their plan, based on detailed research and analysis of several vendors. The vendor review process includes an evaluation of administrative, recordkeeping, compliance, and employee communications services, administrative and investment-related fees, and an investment overview that incorporates a very similar analysis to the investment due diligence process described above.

Newsletters

Monthly employer newsletter includes industry and marketplace updates, plan design and compliance suggestions, and legislative updates.

TLA shall provide in-depth plan reviews that include an analysis of relevant design features, including: age and length of service eligibility requirements; vesting; forfeitures; employer matching contributions formulas; entry and re-entry dates; and other pertinent design features.

Management of Conversion Process

TLA is to facilitate plan conversion. Provide sample letters and correspondence related to the plan conversion. Monitoring of the action items identified in the Plan Sponsor Conversion Checklist.

Fiduciary Plan Review

The Fiduciary Plan Review™ includes a compliance checklist, plan design analysis, and other related analysis designed to address plan compliance and efficiency. This document typically exceeds 20 pages in length and may also include a list of action items and suggestions, based on plan demographics and a discussion between Client's plan fiduciaries and 401(k) Advisors.

404(c) Audit

TLA shall provide a comprehensive checklist of the latest industry accepted standards with respect to 404(c) compliance, and will work with Client to facilitate completion of the checklist. The responsible party for addressing and verifying each item will either be;

The Plan provider, The Client, or in some instances TLA will provide the research and analysis.

Fiduciary Role under ERISA

For those services stated under Investment Advice (Plan Level) the TLA acknowledges that it is a fiduciary with respect to the Plan under Section 3(21)(A)(ii) of the Employee Retirement Income Security Act of 1974, as amended (ERISA) and, as such, is a co-fiduciary with the trustee(s) of the Client's Plan solely with respect to (a) the provision of investment education of the employer and/or plan participants (depending on the specific advisory services provided); (b) the periodic reporting on, and analysis of, the investment options available under the Plan; and (c) the provision of advice to the trustee(s) regarding the elimination or addition of investment options available under the Plan; provided, however, that the trustee(s) acknowledge and agree that the trustee(s) have the final and conclusive responsibility for the investment options selected to be available under the Plan. The Advisor will not be responsible for investment decisions made by the Plan participants with respect to the investment of their accounts.

Reports to Client

For those services stated under Employee Plan and Investment Education, Employee (Participant) Investment Advice, and Other Investment Advisory Services (Third Party Money Managers) based on the results of the periodic (quarterly or semi-annual) analysis, TLA may recommend changes to the core group of investment recommendations offered by one or more of the investment managers included in the analysis. As such, TLA will provide plan fiduciaries with a periodic report that includes fund rankings in each category.

Custody

All assets in Client's account shall be held for safekeeping with a designated custodian as selected by the Client. TLA shall not act as Custodian for any assets in the Client's account and shall not take possession of cash and/or securities of the Client's account. TLA shall not be liable to Client for any act, conduct or omission by Custodian. TLA is only authorized or empowered to issue instructions to Custodian or to request information about the Account from Custodian for the limited purpose of managing the asset allocation of the Models. TLA shall have no other discretion or control in regards to Custodian instruction.

Fees

For TLA's services, Client will pay a fee based on either the market value of the Plan assets, or a flat fee in accordance with the schedule of fees described and selected below, unless otherwise agreed to by both parties. The fee range for the above services is negotiable, and may vary according to the facts and circumstances, including the scope of services to be provided, the duration of services and the size of the client (number of employees, plan or individual assets, and other demographic factors). Under these services, clients will be charged a flat base fee plus a percentage of total Plan assets, based on the sliding scale below. Therefore, clients will be charged a total fee that is the sum of the base fee and the appropriate percentage fee for that portion of

the Plan which falls within the value ranges as specified below. TLA may receive fees directly from a client (plan sponsor or individual), for providing any or all of the services described above. In these instances, fees may be paid on a one-time only or ongoing basis, depending on the scope of the services, and the desired length of time that those services will be provided.

TLA's fees are in addition to any fees assessed by the mutual funds that the Client's accounts are invested in. The annual fees will be determined based on the ending aggregate market value of the Plan assets each quarter and Client will not be charged a greater fee for that portion of the assets in the Client's account which falls below the aggregate size listed below.

Fee Structure

(i) Asset-based Fee

Asset-based fees may be charged based on the market value of the plan assets and may range from 0.25% - 1.25% of Plan assets, depending on the scope of the project and duration of services.

(ii) Flat Fee

A flat fee may be charged ranging from \$1,000 – \$100,000 or more depending on the scope of the project and duration of services.

(iii) Per-participant Fee

A per-participant fee may be charged ranging from \$150 - \$250 or more depending on the scope of the project and duration of the services.

(iv) Hourly Fee

An hourly fee may be charged ranging from \$150 - \$250 depending on the scope of the project and duration of the services.

All TLA Fees will be billed. Fees for investment advisory services are billed in advance.

ERISA

This section shall apply if the managed account(s) is for (i) a pension or other qualified employee benefit plan (including a 401(k) plan) governed by the Employee Retirement Income Security Act of 1974, as amended ("ERISA"); (ii) a tax-qualified retirement plan under section 401(a) of the Internal Revenue Code of 1986, as amended (the "Code"), and not covered by ERISA ; or (iii) an individual retirement account ("IRA") under Section 408 of the Code. Client represents that TLA and the Investment Advisory Representative have been furnished complete copies of all documents that establish and govern the plan and evidencing client's authority to retain TLA and the Investment Advisory Representative. Client shall promptly furnish to TLA and the Investment Advisory Representative any amendments to the plan, and client agrees that, if any amendment affects the rights or obligations of TLA and/or the Investment Advisory Representative, such amendment shall be binding on TLA or the Investment Advisory Representative only when agreed to by TLA or the Investment Advisory Representative in writing. Client agrees to maintain appropriate ERISA bonding for the managed account(s) and to include within the coverage of the bond TLA, and the Investment Advisory Representative, as applicable, and their personnel and representatives as may be required by law.

TLA Acknowledgment:

If client is a pension or other qualified plan subject to ERISA, and client appoints TLA or the Portfolio Manager as “investment manager” and the Portfolio Manager(s) accepts the appointment, as “investment manager” for purposes of ERISA and the Code, the Portfolio Manager(s) acknowledges that their firm is a fiduciary within the meaning of Section 3(21) of ERISA and Section 497(e)(3) of the Code (but only with respect to the provision of services normally associated with a Portfolio Manager(s)).

Hourly Planning Engagements

TLA provides hourly planning services for clients who need advice on a limited scope of work. The hourly rate for limited scope engagements ranges are \$150-\$250.

Termination of Agreement

A Client may terminate any of the aforementioned agreements at any time by notifying TLA in writing and paying the rate for the time spent on the investment advisory engagement prior to notification of termination. If the client made an advance payment, TLA will refund any unearned portion of the advance payment.

TLA may terminate any of the aforementioned agreements at any time by notifying the client in writing. If the client made an advance payment, TLA will refund any unearned portion of the advance payment.

Fees and Compensation

Description

TLA bases its fees on a percentage of assets under management, hourly charges, fixed fees (not including subscription fees), subscription fees, commissions.

Some *Retainer Agreements* may be priced based on the complexity of work, especially when asset management is not the most significant part of the relationship.

Financial plans are priced according to the degree of complexity associated with the client's situation and generally range from \$2,500-\$5,000 fixed and \$150 -\$250 per hour.

Fees are *negotiable*..

Fee Billing

Investment management fees are billed quarterly, in ADVANCE, meaning that we invoice you BEFORE the three-month billing period has BEGUN. Payment in full is expected upon invoice presentation. Fees are usually deducted from a designated client account to facilitate billing and the fees are indicated on each TLA quarterly performance report. The client must consent in advance to direct debiting of their investment account.

Fees for Financial Plans, Blue Prints & Qualified Plan consulting are billed in advance.

Other Fees

Custodians may charge transaction fees on purchases or sales of certain mutual funds and exchange-traded funds. These transaction charges are usually small and incidental to the purchase or sale of a security. The selection of the security is more important than the nominal fee that the custodian charges to buy or sell the security.

TLA in its sole discretion, may waive its minimum fee and/or charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.).

New Advisory Service Agreement fees are calculated on a formula basis and adjusted for complexity of individual situations. *The formula is based on gross income, gross assets and other financial considerations.*

Financial planning fees described above do not include the fees you will incur for other professionals (i.e. personal attorney, independent Investment Advisor, or accountant) in connection with the financial planning process.

Expense Ratios

Mutual funds generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.5% for their services. These fees are in addition to the fees paid by you to TLA

Performance figures quoted by mutual fund companies in various publications are after their fees have been deducted. Please review the mutual fund prospectus and disclosures for exact information.

Past Due Accounts and Termination of Agreement

TLA reserves the right to stop work on any account that is more than 60 days overdue. In addition, TLA reserves the right to terminate any financial planning engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in TLA's judgment, to providing proper financial advice. Any unused portion of fees collected in advance will be refunded within 60 days.

Performance-Based Fees

Sharing of Capital Gains

Fees are not based on a share of the capital gains or capital appreciation of managed securities.

TLA does not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

Types of Clients

Description

TLA generally provides investment advice to individuals, banks or thrift institutions, investment companies, pension and profit sharing plans, trusts, estates, or charitable organizations, corporations or business entities, or foundations

Client relationships vary in scope and length of service.

Account Minimums

Taddei, Ludwig & Associates, Inc. typically imposes a minimum investment amount of \$500,000 to establish a managed account advised by our RIA. On a case by case basis, TLA may, at its discretion, waive the minimum investment amount. Moreover, we have a minimum annual Investment Management Services fee of \$5,500. Depending upon circumstances, TLA has the discretion to waive this minimum fee or to sign an hourly agreement with the client.

Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

Security analysis methods may include charting, fundamental analysis, technical analysis, and cyclical analysis.

The main sources of information include financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses, filings with the Securities and Exchange Commission, and company press releases.

Other sources of information that TLA may use include Morningstar Principia mutual fund & ETF, Standard & Poors Stock analysis information, Morningstar Principia stock information, Value Line, Charles Schwab & Company's "SchwabLink" service, Advisor Intelligence, and the World Wide Web.

Investment Strategies

The primary investment strategy used for client accounts is strategic asset allocation utilizing a core and satellite approach. This means that we use passively-managed index and exchange-traded funds as the core investments, and then add actively-managed funds where there are greater opportunities to make a difference. Portfolios are globally diversified to control the risk associated with traditional markets.

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time. Each client executes an Investment Policy Statement that documents their objectives and their desired investment strategy.

Other strategies may include long-term purchases, short-term purchases, trading, short sales, margin transactions, and option writing (including covered options, uncovered options or spreading strategies).

Risk of Loss

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.

- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.
- **Options Risk:** Options on securities may be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks.
- **Fixed Income Risk:** When investing in bonds, there is the risk that issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.
- **Longevity Risk:** As we live longer, we are faced with the risk of outliving our funds.
- **Political Risk:** Stock and bond markets can be positively or negatively effected by world political events.

- **ETF and Mutual Fund Risk:** When investing in a an ETF or mutual fund, there are additional expenses based on your pro rata share of the ETF's or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. Clients will also incur brokerage costs when purchasing ETFs. Leveraged and inverse ETFs may not be suitable for all investors and have unique characteristics and risks. Although there are limited occasions where a leveraged or inverse ETF may be useful for some types of investors, it is extremely important to understand that, for holding periods longer than a day, these funds may not give you the returns you may be expecting.

Disciplinary Information

Legal and Disciplinary

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management. Our firm and our management personnel have no reportable disciplinary events to disclose

Other Financial Industry Activities and Affiliations

Financial Industry Activities

TLA is not and does not have a related company that is an (1) broker-dealer (2) investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund), (3) futures commission merchant, commodity pool operator, or commodity trading advisor, (4) banking or thrift institution, or (5) sponsor or syndicator of limited partnerships.

However, TLA does have certain partnerships with entities as disclosed below.

Affiliation with Cambridge Investment Research, Inc.

TLA Advisor Representatives may be licensed to sell securities in the capacity as Registered Representatives or registered principals with Cambridge. TLA Advisor Representatives, acting in their separate capacities as Registered Representatives or registered principals of Cambridge, may sell, for commissions, general securities products such as stocks, bonds, mutual funds, exchange-traded funds, and variable annuity and variable life products to advisory clients. As such, TLA Advisor Representatives may suggest that advisory clients implement investment advice by purchasing securities products through a commission-based Cambridge account in addition to an advisory account. In the event investment advisory clients elect to purchase these products through Cambridge, Cambridge and the client's TLA Advisor Representative, in the capacity as Cambridge Registered Representative, will receive the normal and customary commission compensation in connection with the specific product purchased. TLA does not require its Advisor Representatives to encourage clients to implement investment advice through Cambridge. Clients of TLA are free to implement investment advice through any broker/dealer or product sponsor they may select. However, clients should understand that, due to certain regulatory constraints, TLA Advisor Representatives, in the capacity as a

dually Registered Representative, must place all purchases and sales of securities products in commission-based brokerage accounts through Cambridge or other Cambridge approved institutions.

Affiliation with other Insurance Agencies

TLA Advisor Representatives may be licensed life insurance agents with various insurance companies and may sell insurance products to TLA's advisory clients. Therefore, the client's TLA Advisor Representative, in the capacity as a licensed life agent, may be able to implement insurance recommendations for advisory clients electing to receive this service. In this event, TLA Advisor Representatives, in their separate capacities as licensed insurance agents, will receive separate and typical commission compensation for insurance and/or annuity sales. There may be a conflict of interest present in that the TLA Advisor Representative has an incentive to recommend products to be purchased through the TLA Advisor Representative thus increasing the compensation earned by the TLA Advisor Representative. Clients of TLA are not obligated in any manner to use the insurance services provided by TLA Advisor Representatives.

Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics

The employees of TLA have committed to a Code of Ethics that is available for review by clients and prospective clients upon request. The firm will provide a copy of the Code of Ethics to any client or prospective client upon request by calling 415-482-1565 or emailing a request to kirk@tlafinancial.com.

Participation or Interest in Client Transactions

TLA and its employees may buy or sell securities that are also held by clients. Employees may not trade their own securities ahead of client trades. Employees comply with the provisions of the TLA *Compliance Manual*.

Personal Trading

The Chief Compliance Officer of TLA is Diane McCracken. Diane reviews all employee trades monthly. Her trades are reviewed by Cambridge Investment Research Inc. The personal trading reviews ensure that the personal trading of employees does not affect the markets, and that clients of the firm receive preferential treatment. Since most employee trades are small mutual fund trades or exchange-traded fund trades, the trades do not affect the securities markets.

Brokerage Practices

Selecting Brokerage Firms

TLA does not have any affiliation with product sales firms. Specific custodian recommendations are made to Clients based on their need for such services.

TLA recommends custodians based on the proven integrity and financial responsibility of the firm and the best execution of orders at reasonable commission rates.

TLA recommends discount brokerage firms and trust companies (qualified custodians), such as Charles Schwab & Co., Inc.

TLA *DOES NOT* receive fees or commissions from any of these arrangements.

Best Execution

TLA reviews the execution of trades at each custodian each year. The review is documented in the TLA *Compliance Manual*. Trading fees charged by the custodians is also reviewed on an annual basis. TLA does not receive any portion of the trading fees.

Order Aggregation

Most trades are mutual funds or exchange-traded funds where trade aggregation does not garner any client benefit.

Review of Accounts

Periodic Reviews

Account reviews are performed quarterly by advisors. Account reviews may be performed more frequently when market conditions dictate.

Review Triggers

Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's own situation.

Regular Reports

Account reviewers are members of the firm's Investment Committee. They are instructed to consider the client's current security positions and the likelihood that the performance of each security will contribute to the investment objectives of the client.

Clients receive periodic communications on at least an annual basis; Investment Management clients receive written quarterly updates. The written updates may include a net worth statement, portfolio statement, and a summary of objectives and progress towards meeting those objectives.

Client Referrals and Other Compensation

Incoming Referrals

TLA has been fortunate to receive many client referrals over the years. The referrals came from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other similar sources. The firm does not compensate referring parties for these referrals.

Referrals Out

TLA does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

Other Compensation

TLA may receive health insurance commissions from Farralone Pacific Insurance Services, a property and Casualty firm.

Custody

Account Statements

All assets are held at qualified custodians, which mean the custodians provide account statements directly to clients at their address of record at least quarterly.

Performance Reports

Clients are urged to compare the account statements received directly from their custodians to the performance report statements provided by TLA.

Net Worth Statements

Clients are frequently provided net worth statements and net worth graphs that are generated from our client relationship management system. Net worth statements contain approximations of bank account balances provided by the client, as well as the value of land and hard-to-price real estate. The net worth statements are used for long-term financial planning where the exact values of assets are not material to the financial planning tasks.

Investment Discretion

Discretionary Authority for Trading

TLA accepts discretionary authority to manage securities accounts on behalf of clients.

TLA has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. However, TLA consults with the client prior to each trade to obtain concurrence if a blanket trading authorization has not been given.

The client approves the custodian to be used and the commission rates paid to the custodian. TLA does not receive any portion of the transaction fees or commissions paid by the client to the custodian on certain trades.

Discretionary trading authority facilitates placing trades in your accounts on your behalf so that we may promptly implement the investment policy that you have approved in writing.

Limited Power of Attorney

A limited power of attorney is a trading authorization for this purpose. You sign a limited power of attorney so that we may execute the trades that you have approved.

Voting Client Securities

Proxy Votes

TLA does not vote proxies on securities. Clients are expected to vote their own proxies.

When assistance on voting proxies is requested, TLA will provide recommendations to the Client. If a conflict of interest exists, it will be disclosed to the Client.

Financial Information

Financial Condition

TLA does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

A balance sheet is not required to be provided because TLA does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$1,200 per client, and six months or more in advance.

Business Continuity Plan

General

TLA has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key people.

Disasters

The Business Continuity Plan covers natural disasters such as earthquakes, snow storms, hurricanes, tornados, and flooding. The Plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, T-1 communications line outage, Internet outage, railway accident and aircraft accident. Electronic files are backed up daily and archived offsite.

Alternate Offices

Alternate offices are identified to support ongoing operations in the event the main office is unavailable. It is our intention to contact all clients within five days of a disaster that dictates moving our office to an alternate location.

Loss of Key Personnel

TLA has signed a Business Continuation Agreement to support TLA in the event of one of the owner's serious disability or death.

Information Security Program

Information Security

TLA maintains an information security program to reduce the risk that your personal and confidential information may be breached.

Privacy Notice

We recognize our obligation to keep information about you secure and confidential. It's important for you to know that we do not sell your information to anyone. We restrict access to non-public personal information about you to those representatives and employees who need to know that information to provide products or services to you. We also maintain physical, electronic, and procedural safeguards to guard your non-public personal information. This notice describes how we handle your financial information that we collect while conducting our business.

We collect information about you (such as your name, address, social security number, assets and income) from our discussions with you, and from documents that you may deliver to us in the course of providing services to you. We may use this information to

open an account for you or to process a transaction for your account. In order to service your account and effect your transactions, we may provide your personal information to firms that assist us in servicing your account and have a need for such information, as permitted by law. We may also disclose such information to the Securities & Exchange Commission, or state of California, the regulatory agencies that oversee our activities.

If you prefer that we not disclose non-public, personal information about you to non-affiliated third parties, (other than those disclosures permitted by law) you may opt out of those disclosures that is, you may direct us not to make those disclosures. If you wish to opt out of disclosures to non affiliated third parties, you may contact us at 415-482-1561.

At such time as Taddei, Ludwig & Associates, Inc. and the representative terminate their relationship with one another, information that has been disclosed by one to the other may be retained by both of them if they have so agreed as a part of a transfer of such portion of the business as was previously handled by the representative.

Anti Money Laundering Procedures: To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. What this means for you: When you open an account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see a current government issued identification including your driver's license or other identifying documents.

We will notify you in advance if our privacy policy is expected to change. We are required by law to deliver this *Privacy Notice* to you annually, in writing.

Brochure Supplement (Part 2B of Form ADV)

Education and Business Standards

TLA requires that advisors in its employ have a bachelor's degree or equivalent experience and further coursework demonstrating knowledge of financial planning and tax planning. Examples of acceptable coursework include: an MBA, a CFP[®], a CFA, a ChFC[®], JD, CTFA, EA, C(k)P[®] or CPA. Additionally, advisors must have work experience that demonstrates their aptitude for financial planning and investment management.

Additional information about each advisor is available on the SEC's website at www.adviserinfo.sec.gov.

Professional Certifications

Employees have earned certifications and credentials that are required to be explained in further detail.

Certified Financial Planner (CFP[®]): Certified Financial Planners are licensed by the CFP Board to use the CFP mark. CFP certification requirements:

- Bachelor's degree from an accredited college or university.
- Completion of the financial planning education requirements set by the CFP Board (www.cfp.net).

- Successful completion of the 10-hour CFP® Certification Exam.
- Three-year qualifying full-time work experience.
- Successfully pass the Candidate Fitness Standards and background check.

Chartered Financial Consultant (ChFC®): Chartered Financial Consultants receive the ChFC® designations by the American College after completing courses in key financial planning disciplines, including investments, retirement planning, insurance, income taxes and estate planning.

- Completion of 7 out of 9 college level courses set by the American College
<http://www.theamericancollege.edu/>
- Three-year qualifying full-time work experience

Certified 401k Professional (C(k)P®): Certified 401k Professionals receive the C(k)P® designation by The Retirement Advisor University at UCLA Anderson School of Management Executive Education after completing rigorous courses and have demonstrated competency and experience in the retirement field, completed a rigorous education course which includes classroom, online, and web cast courses, as well as assessments, exams and a case study

- The Retirement Advisor University at UCLA Anderson School of Management Faculty www.TRAUniv.com
- 12-24 months for completion of program
- Education and practical requisites must be met

Kirk M Ludwig, ChFC®, CFP®, Chief Financial Officer, Chief Investment Officer

Educational Background:

- Born 10-26-1962
- Linfield College; BA 1985
- American College; MS Financial Services 1995

Business Experience:

- Taddei, Ludwig & Associates, Inc Jan 1989-Feb 2010 (Pre-RIA)
- Taddei, Ludwig & Associates, Inc Feb 2010-Present (RIA)
- Cambridge Investment Research Inc., Jan 2007-Present
- AXA Advisors October 1985-Jan 2007

Disciplinary Information None

Other Business Activities: Independent insurance agent for various independent insurance companies.

Additional Compensation:

Independent insurance agent: Your Advisor is independently licensed to sell insurance and annuity products through various insurance companies. When acting in this capacity, your Advisor will receive commissions for selling insurance and annuity products. Clients may choose any independent insurance agent and insurance company to purchase insurance products and are not obligated to purchase insurance products through your Advisor. Regardless of the insurance agent selected, the insurance agent or agency may receive normal commissions from the sale. The receipt of compensation and other potential incentive benefits creates an incentive to recommend products to clients. At the time of any recommendations your Advisor will discuss the products, your needs and any compensation arrangements.

Registered Representative of a broker/dealer: Your Advisor is also a registered representative with Cambridge Investment Research, Inc., ("Cambridge") a registered securities broker/dealer, member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investors Protection Corporation (SIPC). When acting as a registered representative of Cambridge your Advisor may sell, for commissions, general securities products such as stocks, bonds, mutual funds, exchange-traded funds, variable annuity and variable life products to advisory clients.

Certain product sponsors may provide your Advisor with economic benefits as a result of your Advisor's recommendation or sale of the product sponsor's investments. The economic benefits received can include but are not limited to, financial assistance or the sponsorship of conferences and educational sessions, marketing support, incentive awards payment of travel expenses, and tools to assist your Advisor in providing various services to clients. These economic benefits may be received directly by your Advisor or indirectly through TLA. These economic benefits could influence your Advisor to recommend certain products/programs over others.

In addition, your advisor is eligible to participate in the Equity Participation Plan due to their affiliation as a registered representative of Cambridge Investment Research. This may influence your Advisor to recommend certain products/programs over others.

Supervision:

Kirk Ludwig is supervised by Diane McCracken, CCO. She reviews Kirk's work through frequent office interactions as well as remote interactions. She also reviews Kirk's activities through our client relationship management system.

Diane McCracken's contact information:
415-482-1561 diane@tlafinancial.com

Matthew F Taddei, ChFC[®], CFP[®], President & Chief Executive Officer

Educational Background:

- Born 05/25/1961
- Linfield College BA 1983

- American College; MS Financial Services 1995
- American College; MS Management 2000

Business Experience:

- Taddei, Ludwig & Associates, Inc Jan 1989-Feb 2010 (Pre-RIA)
- Taddei, Ludwig & Associates, Inc Feb 2010-Present (RIA)
- Cambridge Investment Research Inc., Jan 2007-Present
- AXA Advisors October Nov 1983-Jan 2007

Disciplinary Information None

Other Business Activities: Independent insurance agent for various independent insurance companies, Member of Rotary Club of Marin, Sunrise, Marin.

Additional Compensation: Independent insurance agent: Your Advisor is independently licensed to sell insurance and annuity products through various insurance companies. When acting in this capacity, your Advisor will receive commissions for selling insurance and annuity products. Clients may choose any independent insurance agent and insurance company to purchase insurance products and are not obligated to purchase insurance products through your Advisor. Regardless of the insurance agent selected, the insurance agent or agency may receive normal commissions from the sale. The receipt of compensation and other potential incentive benefits creates an incentive to recommend products to clients. At the time of any recommendations your Advisor will discuss the products, your needs and any compensation arrangements.

Registered Representative of a broker/dealer: Your Advisor is also a registered representative with Cambridge Investment Research, Inc., ("Cambridge") a registered securities broker/dealer, member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investors Protection Corporation (SIPC). When acting as a registered representative of Cambridge your Advisor may sell, for commissions, general securities products such as stocks, bonds, mutual funds, exchange-traded funds, variable annuity and variable life products to advisory clients.

Certain product sponsors may provide your Advisor with economic benefits as a result of your Advisor's recommendation or sale of the product sponsor's investments. The economic benefits received can include but are not limited to, financial assistance or the sponsorship of conferences and educational sessions, marketing support, incentive awards payment of travel expenses, and tools to assist your Advisor in providing various services to clients. These economic benefits may be received directly by your Advisor or indirectly through TLA. These economic benefits could influence your Advisor to recommend certain products/programs over others.

In addition, your advisor is eligible to participate in the Equity Participation Plan due to their affiliation as a registered representative of Cambridge Investment Research. This may influence your Advisor to recommend certain products/programs over others.

Supervision:

Matthew Taddei is supervised by Diane McCracken, CCO. She reviews Matt's work through frequent office interactions as well as remote interactions. She also reviews Matt's activities through our client relationship management system.

Diane McCracken's contact information:
415-482-1561 diane@tlafinancial.com.

Diane McCracken, ChFC[®], C(k)P[®], Chief Compliance Officer, Secretary & Treasurer

Educational Background:

- Born 11/06/1959
- San Diego State University 1982
- UCLA Anderson School of Business; Certified 401k Professional CKP[®] 2012

Business Experience:

- Taddei, Ludwig & Associates, Inc Sept 1994-Feb 2010 (Pre-RIA)
- Taddei, Ludwig & Associates, Inc Feb 2010-Present
- Cambridge Investment Research Inc., Jan 2007-Present
- AXA Advisors Sept 1994-Jan 2007

Disciplinary Information: None

Other Business Activities: Independent insurance agent for various independent insurance companies, President Wild Animals Worldwide

Additional Compensation: Independent insurance agent: Your Advisor is independently licensed to sell insurance and annuity products through various insurance companies. When acting in this capacity, your Advisor will receive commissions for selling insurance and annuity products. Clients may choose any independent insurance agent and insurance company to purchase insurance products and are not obligated to purchase insurance products through your Advisor. Regardless of the insurance agent selected, the insurance agent or agency may receive normal commissions from the sale. The receipt of compensation and other potential incentive benefits creates an incentive to recommend products to clients. At the time of any recommendations your Advisor will discuss the products, your needs and any compensation arrangements.

Registered Representative of a broker/dealer: Your Advisor is also a registered representative with Cambridge Investment Research, Inc., ("Cambridge") a registered securities broker/dealer, member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investors Protection Corporation (SIPC). When acting as a registered representative of Cambridge your Advisor may sell, for commissions, general securities products such as stocks, bonds, mutual funds, exchange-traded funds, variable annuity and variable life products to advisory clients.

Certain product sponsors may provide your Advisor with economic benefits as a result of your Advisor's recommendation or sale of the product sponsor's investments. The economic benefits received can include but are not limited to, financial assistance or the sponsorship of conferences and educational sessions, marketing support, incentive awards

payment of travel expenses, and tools to assist your Advisor in providing various services to clients. These economic benefits may be received directly by your Advisor or indirectly through TLA. These economic benefits could influence your Advisor to recommend certain products/programs over others.

In addition, your advisor is eligible to participate in the Equity Participation Plan due to their affiliation as a registered representative of Cambridge Investment Research. This may influence your Advisor to recommend certain products/programs over others.

Supervision:

Diane McCracken is supervised by Matthew Taddei, President & CEO. He reviews Diane's work through frequent office interactions as well as remote interactions. He also reviews Diane's activities through our client relationship management system.

Matthew Taddei's contact information:
415-482-1562 matt@tlafinancial.com

Scot Elrod, Financial Advisor

Educational Background:

- Born 12/24/1949
- Saint Louis Christian College; BA Christian Ed 1971
- Fontbonne University; MBA 1989
- Saint Louis University; Master Social Work 1975
- University of Berkeley; Personal Financial Planning Certificate 2005

Business Experience:

- Taddei, Ludwig & Associates, Inc April 2007-Feb 2010 (Pre-RIA)
- Taddei, Ludwig & Associates, Inc April 2010-Present
- Cambridge Investment Research Inc., April 2007-Present
- Hillside Church of Marin November 2006-2009
- Consultant Growing Healthy Churches Nov 2006-April 2007
- Salvation Army April 1999-Oct 2006
- GMAC Mortgage June 1996-June 1999

Disciplinary Information None

Other Business Activities: Independent insurance agent for various independent insurance companies. Treasurer of GNU Foundation.

Additional Compensation: Independent insurance agent: Your Advisor is independently licensed to sell insurance and annuity products through various insurance companies. When acting in this capacity, your Advisor will receive commissions for selling insurance and annuity products. Clients may choose any independent insurance agent and insurance company to purchase insurance products and are not obligated to purchase insurance

products through your Advisor. Regardless of the insurance agent selected, the insurance agent or agency may receive normal commissions from the sale. The receipt of compensation and other potential incentive benefits creates an incentive to recommend products to clients. At the time of any recommendations your Advisor will discuss the products, your needs and any compensation arrangements.

Registered Representative of a broker/dealer: Your Advisor is also a registered representative with Cambridge Investment Research, Inc., ("Cambridge") a registered securities broker/dealer, member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investors Protection Corporation (SIPC). When acting as a registered representative of Cambridge your Advisor may sell, for commissions, general securities products such as stocks, bonds, mutual funds, exchange-traded funds, variable annuity and variable life products to advisory clients.

Certain product sponsors may provide your Advisor with economic benefits as a result of your Advisor's recommendation or sale of the product sponsor's investments. The economic benefits received can include but are not limited to, financial assistance or the sponsorship of conferences and educational sessions, marketing support, incentive awards payment of travel expenses, and tools to assist your Advisor in providing various services to clients. These economic benefits may be received directly by your Advisor or indirectly through TLA. These economic benefits could influence your Advisor to recommend certain products/programs over others.

Supervision:

Scot Elrod is supervised by Kirk M Ludwig, CFO,CIO. He reviews Scot's work through frequent office interactions as well as remote interactions. He also reviews Scot's activities through our client relationship management system.

Kirk Ludwig contact information:

415-482-1565 kirk@tlafinancial.com

Jack Nixon, ChFC®, Financial Advisor

Educational Background:

- Born 8/15/1932
- University of Missouri at Kansas City; BA 1953
- Harvard University; MBA 1961

Business Experience:

- Taddei, Ludwig & Associates, Inc Jan 2007-Feb 2010 (Pre-RIA)
- Taddei, Ludwig & Associates, Inc Jan 2010-Present
- Cambridge Investment Research Inc., Jan 2007-Present
- LPL: Jan 2004-Jan 2007
- Allmerica Financial: Dec 1963-Jan 2004

Disciplinary Information: None

Other Business Activities: Consultant & Independent insurance agent for various independent insurance companies

Additional Compensation: Consulting Fees & Independent insurance agent: Your Advisor is independently licensed to sell insurance and annuity products through various insurance companies. When acting in this capacity, your Advisor will receive commissions for selling insurance and annuity products. Clients may choose any independent insurance agent and insurance company to purchase insurance products and are not obligated to purchase insurance products through your Advisor. Regardless of the insurance agent selected, the insurance agent or agency may receive normal commissions from the sale. The receipt of compensation and other potential incentive benefits creates an incentive to recommend products to clients. At the time of any recommendations your Advisor will discuss the products, your needs and any compensation arrangements.

Registered Representative of a broker/dealer: Your Advisor is also a registered representative with Cambridge Investment Research, Inc., ("Cambridge") a registered securities broker/dealer, member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investors Protection Corporation (SIPC). When acting as a registered representative of Cambridge your Advisor may sell, for commissions, general securities products such as stocks, bonds, mutual funds, exchange-traded funds, variable annuity and variable life products to advisory clients.

Certain product sponsors may provide your Advisor with economic benefits as a result of your Advisor's recommendation or sale of the product sponsor's investments. The economic benefits received can include but are not limited to, financial assistance or the sponsorship of conferences and educational sessions, marketing support, incentive awards payment of travel expenses, and tools to assist your Advisor in providing various services to clients. These economic benefits may be received directly by your Advisor or indirectly through TLA. These economic benefits could influence your Advisor to recommend certain products/programs over others.

Supervision:

Jack Nixon is supervised by Diane McCracken, CCO. She reviews Jack's work through frequent office interactions as well as remote interactions. She also reviews Jack's activities through our client relationship management system.

Diane McCracken's contact information:
415-482-1561 diane@tlafinancial.com

John F. Hammond, ChFC®, Financial Advisor

Educational Background:

- Born June 9, 1940
- City College of San Francisco – Spring 1958
- University of California – Fall 1958 – June 1960
- University of Maryland extension courses
- Diablo Valley College – Fall 1963

- University of Arizona – December 1963 – May 1965 BS Business

Business Experience:

- Taddei, Ludwig & Associates, Inc April 1, 2011 - Present
- Cambridge Investment Research Inc., April 1, 2011-Present
- The Strategic Financial Alliance, Inc., 2000 to March 31, 2011
- IFG 1997 – 2000
- Self Employed Life Insurance Broker 1975 – Present
- Connecticut Mutual Life Insurance – Agent and Agency Supervisor July 1965 – November 1975

Disciplinary Information: None

Other Business Activities: Independent insurance agent for various independent insurance companies Cert & Spring Bulb Chairman Las Gallinas Lions Club, Marinwood Task Force committee member.

Additional Compensation: Independent insurance agent: Your Advisor is independently licensed to sell insurance and annuity products through various insurance companies. When acting in this capacity, your Advisor will receive commissions for selling insurance and annuity products. Clients may choose any independent insurance agent and insurance company to purchase insurance products and are not obligated to purchase insurance products through your Advisor. Regardless of the insurance agent selected, the insurance agent or agency may receive normal commissions from the sale. The receipt of compensation and other potential incentive benefits creates an incentive to recommend products to clients. At the time of any recommendations your Advisor will discuss the products, your needs and any compensation arrangements.

Registered Representative of a broker/dealer: Your Advisor is also a registered representative with Cambridge Investment Research, Inc., (“Cambridge”) a registered securities broker/dealer, member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investors Protection Corporation (SIPC). When acting as a registered representative of Cambridge your Advisor may sell, for commissions, general securities products such as stocks, bonds, mutual funds, exchange-traded funds, variable annuity and variable life products to advisory clients.

Certain product sponsors may provide your Advisor with economic benefits as a result of your Advisor’s recommendation or sale of the product sponsor’s investments. The economic benefits received can include but are not limited to, financial assistance or the sponsorship of conferences and educational sessions, marketing support, incentive awards payment of travel expenses, and tools to assist your Advisor in providing various services to clients. These economic benefits may be received directly by your Advisor or indirectly through TLA. These economic benefits could influence your Advisor to recommend certain products/programs over others.

Supervision:

John Hammond is supervised by Diane McCracken, CCO. She reviews John's work through frequent office interactions as well as remote interactions. She also reviews John's activities through our client relationship management system.

Diane McCracken's contact information:
415-482-1561 diane@tlafinancial.com

Paul Kingsman, Financial Advisor

Educational Background

- Born 06/15/1967
- U.C. Berkeley 1986-1989
- Diploma of Business Auckland University, New Zealand 1993-1994
- Golden Gate Baptist Theological Seminary, Masters – Theological Studies (2013)

Business Experience:

- Taddei, Ludwig & Associates, Inc., April 2012 – Present
- ThinkEquity, LLC, March 2010 – April 2012
- Self-Employed, June 2004 – March 2010
- Professional Speaker Financial Services Industry February 21 - Present
- Wells Fargo, October 2003 – June 2004
- Morgan Stanley, February 2001 – October 2003

Disciplinary Information: None

Other Business Activities: Professional speaker – Financial Services Industry

Executive Coach – Financial Services Industry

Supervision:

Paul's work through frequent office interactions as well as remote interactions. He also reviews Paul's activities through our client relationship management system.

Kirk Ludwig contact information:
415-482-1565 kirk@tlafinancial.com