

Financial Focus, LLC

Form ADV Part 2A – Disclosure Brochure

Effective: May 31, 2013

This Disclosure Brochure provides information about the qualifications and business practices of Financial Focus, LLC. If you have any questions about the contents of this Disclosure Brochure, please contact us at (973) 533-0666 or by email at pnicit@financial-focus.net.

Financial Focus, LLC is a Registered Investment Advisor with the Securities and Exchange Commission. The information in this Disclosure Brochure has not been approved or verified by the U.S. Securities and Exchange Commission ("SEC") or by any state securities authority. Registration of an investment advisor does not imply any specific level of skill or training. This Disclosure Brochure provides information about Financial Focus, LLC to assist you in determining whether to retain the Advisor.

Additional information about Financial Focus, LLC and its advisory persons are available on the SEC's website at www.adviserinfo.sec.gov.

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Item 2 – Material Changes

Form ADV 2 is divided into two parts: *Part 2A and Part 2B*. *Part 2A* (the “Disclosure Brochure”) provides information about a variety of topics relating to an Advisor’s business practices and conflicts of interest. *Part 2B* (the “Brochure Supplement”) provides information about advisory personnel of Financial Focus.

Financial Focus believes that communication and transparency are the foundation of our relationship and continually strive to provide our Clients with the complete and accurate information at all times. We encourage all current and prospective Clients to read this Disclosure Brochure and discuss any questions you may have with us. And of course, we always welcome your feedback.

Material Changes

The Advisor does not have any material changes to disclose since the last filing of this Disclosure Brochure.

Future Changes

From time to time, we may amend this Disclosure Brochure to reflect changes in our business practices, changes in regulations and routine annual updates as required by the securities regulators. This complete Disclosure Brochure or a Summary of Material Changes shall be provided to each Client annually and if a material change occurs in the business practices of Financial Focus.

At any time, you may view the current Disclosure Brochure on-line at the SEC’s Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov.

To review the firm information for Financial Focus:

- Click **Investment Advisor Search** in the left navigation menu.
- Select the option for **Investment Advisor Firm** and enter **152904** (our firm’s CRD number) in the field labeled “Firm IARD/CRD Number”.
- This will provide access to Form ADV Part 1 and Part 2.
- Item 11 of the ADV Part 1 lists legal and disciplinary questions regarding the Advisor.
- In the left navigation menu, Form ADV Part 2 is located near the bottom.

You may also request a copy of this Disclosure Brochure at any time, by contacting us at (973) 533-0666.

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Item 4 – Advisory Services

Founded by its managing member and principal owner, Michael Kay, Financial Focus provides financial planning and investment management services to its clients. The firm applies the principles of Financial Life Planning® to develop and nurture mutually beneficial relationships with its clients and their families. Financial Focus aims to empower its clients to approach their lives and resources in a balanced and successful manner by seeking to: act with integrity, compassion, and the highest level of professional standards; guide clients to understand and articulate their core values and improve their comfort in addressing financial issues; explore clients' needs and concerns and help them to navigate life transitions; and create and support the implementation of wealth-building strategies that align with clients' goals and dreams.

Prior to engaging Financial Focus to provide any of the foregoing investment advisory services, the client is required to enter into one or more written agreements with the firm setting forth the terms and conditions under which Financial Focus renders its services (collectively the "Agreement").

Financial Focus has been in business since October 2001, and has been in business as an SEC registered investment adviser since June 2010. The firm has \$120,199,081 of assets under management as of December 31, 2012, all of which are managed on a non-discretionary basis.

This Disclosure Brochure describes the business of Financial Focus. Certain sections will also describe the activities of Supervised Persons. Supervised Persons are any of the firm's officers, partners, directors (or other persons occupying a similar status or performing similar functions), or employees, or any other person who provides investment advice on Financial Focus' behalf and is subject to Financial Focus' supervision or control.

Financial Planning Services

Financial Focus may provide its clients with a broad range of comprehensive financial planning services. As detailed in Item 8, these services are based on the principles of Financial Life Planning®.

The client is not obligated to implement any suggestions made by the firm in the financial plan, and may accept or reject any of Financial Focus' recommendations. In order to keep the financial plan current, the client is advised to notify the firm if there is ever any change in financial situation or investment objectives. Financial planning supports the firm's investment management services, and the financial plan drives any management decisions. Therefore, Financial Focus recommends itself to implement its recommendations through its relationship with LWI Financial Inc. (herein "LW" and as detailed below). Clients are advised that a conflict of interest exists when Financial Focus recommends its own services.

Investment Management Services

Clients can engage Financial Focus to manage all or a portion of their assets on a non-discretionary basis. Financial Focus primarily allocates clients' investment management assets among institutional mutual funds and exchange-traded funds ("ETFs"), in accordance with the investment objectives of the client. To accomplish this, and as further discussed in response to Items 8 and 12 below, Financial Focus recommends that clients use the asset allocation services of LW. LW is an unaffiliated investment adviser registered with the SEC. LW provides an asset allocation and investment account management platform and associated administrative services to Financial Focus and its clients.

Financial Focus tailors its advisory services to the individual needs of clients. The firm consults with clients initially and on an ongoing basis to develop an investment policy statement ("IPS") which determines risk tolerance, time horizon and other factors that may impact the clients' investment needs. Prior to completing an IPS, the firm requests that the client completes a risk tolerance assessment. Financial Focus ensures that clients' investments are suitable for their investment needs, goals, objectives and risk tolerance. Financial Focus then provides the client's investment strategy, trade restrictions and target allocation to LW to implement the plan.

Clients may impose reasonable restrictions or mandates on the management of their account if, in Financial Focus' sole discretion, the conditions will not materially impact the performance of a portfolio strategy or prove overly burdensome to its management efforts.

Item 5 – Fees and Compensation

Financial Focus offers its services on a fee basis, which may include hourly and /or fixed fees, as well as fees based upon assets under management.

Financial Planning Fees

Financial Focus may charge a fixed fee and /or hourly fee for financial planning services. These fees are negotiable, but generally range from \$2,500 to \$10,000 on a fixed fee basis and /or from \$75 to \$350 on an hourly rate basis, depending upon the level and scope of the services and the professional rendering the financial planning services. If the client engages Financial Focus for additional investment advisory services, Financial Focus may offset all or a portion of its fees for those services based upon the amount paid for the financial planning services.

All services are provided only after a client signs a written agreement, which describes all services Financial Focus will provide and the fees the client will pay for those services. Generally, the firm requires a deposit of one-half of the financial planning fee when the written agreement is signed. The balance is typically due upon delivery of the financial plan or completion of other services. Either party may terminate the agreement by written notice to the other. In the event the client terminates the agreement, the balance of any unearned fees will be refunded. If the client terminates an agreement within five business days of entering it, Financial Focus will refund any deposit in full. Generally, the firm will suggest to the client an annual review and or update of the financial plan and will charge an additional annual fee for any review or update.

Investment Management Fees

Financial Focus provides investment management services for an annual fee based upon a percentage of the market value of the assets being managed by the firm. Financial Focus' annual fee is exclusive of, and in addition to brokerage commissions, transaction fees, and other related costs and expenses, which are incurred by the client. The client will be charged separately by the account custodian for these additional charges. Financial Focus does not receive any portion of these additional charges. Financial Focus' annual fee is prorated and charged quarterly, in advance, based upon the market value of the assets on the last day of the previous quarter. The annual fee varies (between 0.25% and 1.20%) depending upon the market value of the assets under management, as follows:

Portfolio Value	Base Fee
Up to \$500,000	1.20%
\$500,001 - \$1,000,000	1.00%
\$1,000,001 – \$2,000,000	0.85%
\$2,000,001 - \$3,000,000	0.70%
3,000,001 - \$4,000,000	0.55%
\$4,000,001- \$5,000,000	0.35%
Above \$5,000,000	0.25%

Financial Focus, in its sole discretion, may negotiate to charge a lesser management fee based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, *pro bono* activities, etc.).

Fees Charged by Financial Institutions

As further discussed in response to Item 12 below, Financial Focus recommends that clients utilize the asset allocation services of LW with securities accounts held at and brokerage services provided by a qualified independent custodian recommended by Financial Focus through Loring Ward Securities, Inc. as a fully disclosed introducing broker.

Clients may incur certain charges imposed by third parties including, but not limited to, charges imposed directly by a mutual fund or ETF in the account, which shall be disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Additionally clients may incur brokerage commissions and transaction fees. Such charges, fees and commissions are exclusive of and in addition to Financial Focus' fee.

Financial Focus directs LW to debit the client's account for the amount of Financial Focus' fee and to pay that management fee to the firm in accordance with applicable custody rules. LW has agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid to Financial Focus. Clients cannot elect to have Financial Focus send an invoice for payment of fees.

Fees for Management During Partial Quarters of Service

For the initial period of investment management services, the fees are calculated on a pro rata basis.

The *Agreement* between Financial Focus and the client will continue in effect until terminated by either party pursuant to the terms of the *Agreement*. Financial Focus' fees are prorated through the date of termination and any remaining balance is charged or refunded to the client, as appropriate, in a timely manner.

Clients may make additions to and withdrawals from their account at any time, subject to Financial Focus' right to terminate an account. Additions may be in cash or securities provided that Financial Focus reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account. Clients may withdraw account assets on notice to Financial Focus, subject to the usual and customary securities settlement procedures. However, Financial Focus designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. The firm may consult with its clients about the options and ramifications of transferring securities. However, clients are advised that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications.

If assets are deposited into or withdrawn from an account after the start of a quarter, the fee payable with respect to such assets will not be adjusted or prorated based on the number of days remaining in the quarter.

Item 6 – Performance-Based Fees and Side-By-Side Management

Financial Focus does not provide any services for performance-based fees. Performance-based fees are those based on a share of capital gains on or capital appreciation of the assets of a client.

Item 7 – Types of Clients

Financial Focus generally provides its services to individuals. However, the firm also may provide advice to pension and profit sharing plans, trusts, estates, charitable organizations, corporations and business entities.

Minimum Account Size

As a condition for starting and maintaining a relationship, Financial Focus generally imposes a minimum portfolio size of \$100,000. The firm, in its sole discretion, may accept clients with smaller portfolios based upon certain criteria including anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, and pro bono activities. Financial Focus only accepts clients with less than the minimum portfolio size if, in the sole opinion of Financial Focus, the smaller portfolio size will not cause a substantial increase of investment risk beyond the client's identified risk tolerance. Financial Focus may aggregate the portfolios of family members to meet the minimum portfolio size.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

Investment Strategies and Methods of Analysis

Financial Focus applies the principles of Financial Life Planning® as a methodology in an effort to help clients achieve their preferred future. The firm consults with clients initially and on an ongoing basis to develop an IPS which determines risk tolerance, time horizon and other factors that may impact the clients' investment needs. The firm takes into consideration factors such as retirement, education, estate planning, business planning, investments, insurance, and tax and cash flow needs of the client. Specifically, as part of this initial analysis, Financial Focus speaks to clients about the following principles:

- Choice: Identifying the choices that clients have in mid-life and beyond, and addressing them in financial strategies, retirement decisions and quality-of-life decisions such as careers, relocation, meaningful use of time, and personal and professional growth.
- Consequences of options: Every financial decision clients make have consequences - Financial Life Planning® seeks to help clients view them as a whole, functioning part of their personal, professional and financial development over time.
- Self-direction: Self-reliance and personal responsibility are two overarching themes in life planning.
- Intentionality: Life planning is not an accidental occurrence. It is an intentional process. At times, the intent needs definition, direction and clarification. Financial Focus works with clients to help them find that direction.
- Empowerment: The Financial Life Planning® process is designed with the goal of empowering individuals to make good decisions for themselves and their loved ones. At times, individuals need to be encouraged to recognize that they have the power to design their own future. This is closely aligned to being self-directed and intentional in one's efforts.
- Holistic Planning: Life planning is holistic. Financial security must be made to serve and reinforce client's personal values, visions and aspirations for the future.
- Integrity in Evaluation: The intention of life planning is one of candor. While keeping welfare a top priority, Financial Focus will help clients make an honest and open assessment of their financial situation and options for the future.
- Personal Attention: Life planning is focused on the individual. Therefore, it is highly personal. No two individuals are the same. The uniqueness of each individual is valued on a personal level.

As part of completing the IPS, Financial Focus primarily recommends that clients allocate their investment management assets among mutual funds and ETFs.

After completion, Financial Focus then provides the client's investment strategy, trade restrictions and target allocation to LW to implement the plan. LW is an unaffiliated SEC registered investment adviser that provides an asset allocation and investment account management platform and associated administrative services to Financial Focus and its clients. Financial Focus sets an asset allocation using LW modeling software. LW then implements the allocation communicated to them by Financial Focus. The asset allocation program designates specified percentages of assets within several asset classes with the intent of creating a diversified investment portfolio. The assets are managed by either DFA Dimensional Fund Advisors ("DFA") or Structured Assets ("SA"), according to a rules-based passive management approach. Moreover, certain securities transactions for clients' accounts may be made with Loring Ward Securities Inc., a securities broker-dealer and member of SIPC and FINRA.

Clients will be provided with a copy of LW's written disclosure statement in addition to this Disclosure Brochure.

Risks of Loss

Mutual Funds and ETFs

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees. The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed-based ETFs and more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 50,000 shares or more).

Market Risks

The profitability of a portion of Financial Focus' recommendations may depend to a great extent upon correctly assessing the future course of price movements of stocks and bonds. There can be no assurance that Financial Focus will be able to predict those price movements accurately.

Use of LW

Financial Focus recommends LW's investment platform to implement the client's plan. Financial Focus will continue to do ongoing due diligence of LW, but such recommendations rely, to a great extent, on LW's ability to successfully implement their investment strategy.

In addition, LW may manage portfolios by allocating portfolio assets among various mutual funds on a non-discretionary basis using one or more of its proprietary investment strategies (collectively referred to as "investment strategy"). In so doing, LW buys, sells, exchanges and/or transfers shares of mutual funds based upon the investment strategy.

Securities in the investment strategy are usually exchanged and/or transferred without regard to a client's individual tax ramifications. Certain investment opportunities that become available to clients may be limited.

General Risk of Loss

Investing in securities involves the risk of loss. Clients should be prepared to bear such loss.

Item 9 – Disciplinary Information

Financial Focus is required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of management. Financial Focus does not have any required disclosures to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

Financial Focus is required to disclose any relationship or arrangement that is material to its advisory business or to its clients with certain related persons. Financial Focus has described such relationships and arrangements below.

Receipt of Insurance Commission

Certain of Financial Focus' Supervised Persons, in their individual capacities, are also licensed insurance professionals. Neither Financial Focus nor any of its Supervised Persons will receive compensation for any insurance recommendations or implementations. As a fee-only advisory firm, Financial Focus and its Supervised Persons are only compensated through the investment advisory fees paid by Clients to the Advisor. In some instances, Supervised Persons receive commissions from prior implementations of insurance products for Clients. As a fee-only Advisor, neither Financial Focus nor its Supervised Persons retain these commissions. 100% of the commissions received are either rebated to the respective Client accounts or donated to an approved 501(c) charity.

Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Financial Focus and persons associated with Financial Focus ("Associated Persons") are permitted to buy or sell securities that it also recommends to clients consistent with Financial Focus' policies and procedures.

Financial Focus has adopted a code of ethics that sets forth the standards of conduct expected of its associated persons and requires compliance with applicable securities laws ("Code of Ethics"). In accordance with Section 204A of the Investment Advisers Act of 1940 (the "Advisers Act"), its Code of Ethics contains written policies reasonably designed to prevent the unlawful use of material non-public information by Financial Focus or any of its associated persons. The Code of Ethics also requires that certain of Financial Focus' personnel (called "Access Persons") report their personal securities holdings and transactions and obtain pre-approval of certain investments such as initial public offerings and limited offerings.

Unless specifically permitted in Financial Focus' Code of Ethics, none of Financial Focus' Access Persons may effect for themselves or for their immediate family (i.e., spouse, minor children, and adults living in the same household as the Access Person) any transactions in a security which is being actively purchased or sold, or is being considered for purchase or sale, on behalf of any of Financial Focus' clients.

When Financial Focus is purchasing or considering for purchase any security on behalf of a client, no Access Person may effect a transaction in that security prior to the completion of the purchase or until a decision has been made not to purchase such security. Similarly, when Financial Focus is selling or considering the sale of any security on behalf of a client, no Access Person may effect a transaction in that security prior to the completion of the sale or until a decision has been made not to sell such security. These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

Clients and prospective clients may contact Financial Focus to request a copy of its Code of Ethics.

Item 12 – Brokerage Practices

As discussed above, Financial Focus recommends that clients utilize the asset allocation services of LW with securities accounts held at and brokerage services provided by a qualified independent custodian recommended by Financial Focus through Loring Ward Securities, Inc. as a fully disclosed introducing broker.

The asset allocation presented by LW may contain shares of SA Funds Investment Trust, a mutual fund advised by LW. Certain securities transactions for clients' accounts may be made with Loring Ward Securities Inc., a securities broker-dealer and member of SIPC and FINRA. Loring Ward Securities Inc. is an affiliate of LW.

Any brokerage commissions and/or transaction fees charged by Loring Ward Securities Inc. are exclusive of and in addition to Financial Focus' fee. The commissions and/or transaction fees charged by Loring Ward Securities Inc. may be higher or lower than those charged by other financial institutions.

Factors which Financial Focus considers in recommending Loring Ward Securities Inc. are: its experience, its reputation within the industry, its investment philosophy and discipline and working relationship with Dimensional Fund Advisors which plays a prominent role in the firm's investment strategy.

Software and Support Provided by Financial Institutions

Financial Focus may receive from LW, without cost to the firm, computer software and related systems support, which allows Financial Focus to prepare client financial plans and better monitor client accounts maintained at LW. Financial Focus may receive the software and related support without cost because the firm renders investment management services to clients that maintain assets at LW. The software and related systems support may benefit Financial Focus, but not its clients directly. In fulfilling its duties to its clients, the firm endeavors at all times to put the interests of its clients first. Clients should be aware, however, that Financial Focus' receipt of economic benefits from a broker-dealer or third party creates a conflict of interest since these benefits may influence the firm's choice of broker-dealer over another broker-dealer that does not furnish similar software, systems support, or services.

Item 13 – Review of Accounts

For those clients to whom Financial Focus provides investment management services, Financial Focus monitors those portfolios as part of an ongoing process while regular account reviews are conducted on at least a quarterly basis. For those clients to whom Financial Focus provides financial planning services, reviews are conducted on an "as needed" basis. Such reviews are conducted by one of Financial Focus' investment adviser representatives. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with Financial Focus and to keep Financial Focus informed of any changes thereto. Financial Focus contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives. In addition the firm conducts periodic client meetings and/or conference calls to review clients' financial pictures.

Unless otherwise agreed upon, clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian for the client accounts.

Those clients to whom Financial Focus provides financial planning services will receive reports from Financial Focus summarizing its analysis and conclusions as requested by the client or otherwise agreed to in writing by Financial Focus.

Item 14 - Client Referrals and Other Compensation

Financial Focus may receive economic benefits from non-clients for providing advice or other advisory services to clients. This type of relationship poses a conflict of interest and any such relationship is disclosed in response to Item 12, above. In addition, Financial Focus is required to disclose any direct or indirect compensation that it provides for client referrals. Financial Focus does not compensate anyone for client referrals.

Item 15 – Custody

Financial Focus outsources billing to LW who will debit the client's account for the amount of Financial Focus' fee and pay that management fee to the firm in accordance with applicable custody rules. LW has agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid to Financial Focus.

Item 16 – Investment Discretion

Financial Focus is required to disclose if it accepts discretionary authority to manage securities accounts on behalf of clients. Financial Focus is considered to exercise investment discretion over a client's account if it can effect transactions for the client without first having to seek the client's consent. Financial Focus does not exercise discretion on behalf of clients.

Item 17 – Voting Client Securities

Financial Focus is required to disclose if it accepts authority to vote client securities. Financial Focus does not vote client securities on behalf of its clients. Clients receive proxies directly from the *Financial Institutions*.

Item 18 – Financial Information

Financial Focus does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance.