



Form ADV Part 2A
Personal Financial Advisor Service

Personal Capital Advisors Corporation

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San Francisco, CA 94105
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March 28~~October 18~~, 20132

This brochure provides information about the qualifications and business practices of Personal Capital Advisors Corporation. If you have any questions about the contents of this brochure, please contact us at (855) 855-8005 or support@personalcapital.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 Personal Capital Advisors Corporation also is available on the SEC's website at www.adviserinfo.sec.gov.

MATERIAL CHANGES

The following material changes have occurred since the publishing of our FORM ADV Part 2A on March 31, 2012.

May 2012

Personal Capital Advisors Corporation announced the opening of its new main office at 500 Howard Street, Suite 400, San Francisco, CA 94105. The office at 90 New Montgomery Street, Suite 712, San Francisco, CA was closed. All other contact information remains unchanged.

Rob Foregger, Personal Capital's co-founder, stepped down as Chief Strategy Officer and an Investment Committee Member and is rejoining Personal Capital in June in his new role as Consultant and member of the Board of Advisors.

October 2012

~~Personal Capital Advisors Corporation announced the launch of the Personal Capital 401k. Personal Capital Advisors Corporation, in association with retirement plan service providers, including third party ERISA administrators, record keepers and an ERISA fiduciary adviser, provides a complete, low-expense, technology based 401k plan solution for small to medium sized plans in which Personal Capital provides organization, facilitation and certain other non-fiduciary services (as permitted by regulatory guidance issued by the Department of Labor for purposes of ERISA).~~

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ADVISORY BUSINESS

Personal Capital Advisors Corporation (hereinafter “*Personal Capital Advisors*” or the “*Firm*”) is an investment advisor registered with the Securities and Exchange Commission since August 1, 2011. The Firm provides investment advisory services to its Clients (individually, the “*Client*”). Registration does not imply a certain level of skill or training.

Personal Capital Advisors is a wholly owned subsidiary of Personal Capital Corporation (“*Personal Capital*”). Personal Capital offers a suite of integrated money management services, including personal portfolio management, cash management, and personal financial management services. The web, mobile, tablet, and personal financial management software portion of the Advisory Service is delivered through Personal Capital Technology Corporation, another subsidiary of Personal Capital.

Personal Capital Advisors offers ~~two~~^{three} types of investment advisory services. **Personal Financial Advisor Service** (“PFAS”) is a complimentary investment advisory service where Personal Capital Advisors provides general non-discretionary investment advice based on the client’s third party investment accounts that have been linked through our financial aggregation service as well as limited information about the client’s investment situation provided by the client.

Personal Financial Advisor Service

- a complimentary investment advisory service
- general non-discretionary investment advice
- advice is based on your financial situation as evidenced by accounts you have linked through personal capital’s financial aggregation service as well as limited information about the your personal circumstances which you may provide include your age, investment time horizon, risk tolerance, etc.

PFAS services are accessible across the Internet and may be delivered through a browser software plug-in, select smart phones, and select tablet devices. At the sole discretion of Personal Capital, and for select customers only, the services may also be provided through the assistance of a personal financial advisor.

PFAS will be closed to new clients as of April 1, 2012. PFAS has been offered since the firm began operations in August 2011. All registered users of personalcapital.com accepting the Terms of Service on or before March 31, 2012 will be considered investment advisory clients of Personal Capital Advisors Corporation.

All registered users of personalcapital.com accepting the Terms of Service on or after April 1, 2012 will be considered clients of Personal Capital Technology Corporation (“PCTC”). Clients of PCTC will receive complimentary aggregation and information services substantially similar to PFAS but will not be considered clients of Personal Capital Advisors unless they choose to engage Personal Capital Advisors to provide advisory services as described below.

Personal Capital Advisors offers an **Advisory Services** program (“AS”) whereby the Firm manages Client accounts for a single fee that includes portfolio management services, custodial and the transaction/commission costs. Also included in the single fee, Personal Capital Advisors may hire third-party Portfolio Managers to manage all or a portion of the Client’s assets. As part of an AS engagement, Personal Capital Advisors offers discretionary investment advice designed to assist Clients in obtaining professional investment management for a convenient single fee. AS is described in detail in *Personal Capital Advisors’ Wrap Fee Program Brochure*, which is available upon request. Additional forms and disclosures are required to participate in an AS engagement.

Personal Capital Advisors, as part of an integrated wealth management service, may provide or recommend banking and cash management solutions from third-party financial institutions, in addition to the aforementioned advisory services.

We may solicit and request additional investment and investment-related information that would facilitate providing our Clients with additional tailored advice. It is solely up to the Client to provide the additional information. Incomplete and/or incorrect information provided by a Client may result in investment advice that is not tailored to his or her particular situation.

Advisory Services program

- fee-only investment advisory service
- ongoing discretionary investment management
- automatic rebalancing
- tax optimization and tax loss harvesting, as applicable
- portfolio personalization, as applicable
- U.S. equity portfolio equal weighting, as applicable
- custody services included at no additional charge
- securities transaction costs included at no additional charge
- assigned personal financial advisor
- unaffiliated, qualified custodian used
- advice is based on your financial situation as evidenced by accounts you have linked through Personal Capital’s financial aggregation service as well as detailed information about the your personal circumstances which may include your age, investment time horizon, risk tolerance, expectations, goals, investment restrictions, etc.
- minimum account size: \$100,000.

~~Personal Capital Advisors also offers the **Personal Capital 401k** program (“Personal Capital 401k”) whereby the Firm provides organization, facilitation and other certain non-fiduciary services (as permitted by regulatory guidance issued by the Department of Labor for purposes of ERISA). Additional forms and disclosures are required to participate in a Personal Capital 401k Program engagement.~~

~~Personal Capital Advisors has created the Personal Capital 401k, a complete, low-expense, technology-based 401k plan solution for small to medium sized retirement plan sponsors, in association with one or more of the following retirement plan service providers:~~

Third-party administrators/Record keepers:

ExpertPlan

50 Millstone Road
Building 400, Suite 300
East Windsor, New Jersey 08520
Phone: 609-918-2500
Website: www.expertplan.com

Lincoln Trust Company

717 17th Street,
Suite 2200, Denver, CO 80202
Phone: 1-800-831-8675
Website: www.LincolnTrustCo.com

ERISA Section 3(38) Fiduciary Advisor:

BPM Advisors, Inc.

600 California Street, Suite 1300
San Francisco, CA 94108
P: 415-421-5757
Website: www.bpmcpa.com

Personal Capital Advisors is not affiliated with ExpertPlan, Lincoln Trust Company or BPM Advisors, Inc.

Personal Capital 401k program

- ~~Fee-only service~~
- ~~Services provided to engaged 401k Sponsors, their Participants and Beneficiaries~~
- ~~Services include plan organization, facilitation and general non-discretionary investment education services related to~~
 - ~~plan information~~
 - ~~general financial and investment concepts~~

~~Although the Personal Capital 401k program may provide some or all of the following services through a separately engaged fiduciary advisor to a plan, also known as a Section 3(38) adviser under ERISA, under this type of engagement, Personal Capital Advisors does not itself provide:~~

- ~~ongoing discretionary or non-discretionary investment management~~
- ~~personalized investment advice to participants or beneficiaries~~
- ~~advice regarding the investment merit of any particular investment available to the plan or its participants~~

Personal Capital Advisors, a wholly owned subsidiary of Personal Capital Corporation, has one principal owner defined as an individual or company owning 25% or more of the parent company; Institutional Venture Partners XII, LP.

~~As of December 31, 2011, Personal Capital Advisors managed \$10,800,000 of client assets in the AS program on a discretionary basis. As of the same date, Personal Capital provided complimentary advice to over 6,500 customers in the PFAS program with approximately \$1,715,000,000 in assets aggregated.~~

FEES AND COMPENSATION

Personal Capital Advisors does not charge a fee for **PFAS**. There is no minimum account size required to receive PFAS services. Personal Capital reserves the right, in its sole discretion, to amend or change its pricing policy for its current Services or any additional services that we may offer.

Personal Capital Advisors' **AS** program is a fee-based wrap program whose discretionary investment management services and fees are described in detail in the Personal Capital Advisors' Wrap Fee Program Brochure, available upon request. The AS program has a minimum relationship size of \$100,000.

Personal Capital Advisors and its representatives may enter into arrangements with third party financial institutions including, but not limited to, Banking Services Independent Contractor arrangements, in order to provide banking products and discuss banking services with Clients. Personal Capital Advisors and its Investment Adviser Representatives are not otherwise affiliated with these banking institutions.

Personal Capital Advisors may be compensated by third-party financial institutions for certain banking and cash management services that are offered within both the PFAS and AS programs. For that reason, Personal Capital Advisors may have an incentive to recommend certain third party financial institutions to Clients rather than other financial institutions that do not compensate Personal Capital Advisors. Personal Capital Advisors does not charge any fee for the placement of deposits at such third party financial institutions performing banking or cash management services. Clients do not pay any compensation to Personal Capital Advisors for these services and are not charged any additional incremental fees by the third party financial institution providing banking or cash management services for purposes of compensating Personal Capital Advisors or its representatives. Personal Capital Advisors may charge fees for providing other cash management services.

~~The **Personal Capital 401k** program is a complete, low-expense technology based 401k plan solution for small to medium plan sponsors. Personal Capital Advisors provides plan organization, facilitation, educational services related to plan information and general financial and investment concepts and development, maintenance and access to the Sponsor and Participant dashboards, for a portion of the program fee (which may vary from 7 to 25 basis points depending upon the service providers utilized and program size). See the Personal Capital Advisors Non-Fiduciary Services Agreement specific to the engagement for additional details.~~

~~The Personal Capital 401k program strives to provide a complete 401k program with an all-in annual participant cost not exceeding 50 basis points. This includes the fees related to the following services:~~

- ~~• Organization, facilitation, education, access to the Sponsor and Participant dashboards.~~
- ~~• Fund and ETF internal management expenses~~
- ~~• Section 3(38) Investment advisory services~~
- ~~• Record keeping services~~
- ~~• Third Party Administrator services~~

~~Not covered by the 50 basis point all-in fee are certain expenses typically borne by the Sponsor.~~

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Personal Capital Advisors does not charge performance-based fees.

TYPES OF CLIENTS

Personal Capital Advisors primarily provides investment advisory services to individuals, trusts and, families ~~and 401k program sponsors~~. Program minimums:

Program	Minimum level of investable assets to participate in the program
PFAS	no minimum required
AS	\$100,000.
Personal Capital 401k	no minimum required

In order to receive advisory services under the **PFAS** program, clients must do all of the following:

- Review and accept the Personal Capital website Terms of Use and attached current Personal Capital Advisors ADV Part 2A
- Aggregate asset and liability accounts on the personalcapital.com website.

The more accounts a client chooses to aggregate, the more complete their financial picture becomes, and the more meaningful the financial checkup or other analysis is.

In order to receive advisory services under the **AS** program, clients must do all of the following:

- Review the current Personal Capital Advisors Part 2A Appendix 1 titled, *Personal Capital Advisors' Wrap Fee Program Brochure*
- Commit at least \$100,000 in investable assets to the AS program
- Execute a Personal Capital Advisors investment advisory agreement
- Open 1 or more brokerage accounts at a Personal Capital Advisors approved qualified custodian

~~In order to receive services under the **Personal Capital 401k** program, plan sponsors must do all of the following:~~

- ~~• Commit to either move an existing 401k plan or sponsor a new 401k plan~~
- ~~• Review the current Personal Capital Advisors Form ADV Part 2 Brochure~~
- ~~• Review and sign the Personal Capital Advisors Non-Fiduciary Services Agreement~~
- ~~• Review and sign related program agreements with the third party administrator, record keeper and 3(38) adviser.~~

Additional program requirements may apply depending on the particular services requested and any non-standard features.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS

~~Personal Capital Advisors does not provide specific advice relating to the investment merits of any particular security or investment or individualized investment advice as part of a Personal Capital 401k program engagement. As such, the following services apply only to PFAS and AS services, as discussed above:~~

Personal Capital Advisors advice may vary depending upon each Client's specific financial situation. In formulating advice, the interactive system designed and monitored by the Investment Committee takes into consideration factors such as the Client's financial information, asset allocation, and client specified information such as risk tolerance.

Personal Capital Advisors investment analysis emphasizes asset allocation research and portfolio diversification techniques over individual security analysis.

Personal Capital Advisors security analysis methods include: sampling and screening relevant baskets or indices of securities in order to select the desired security attributes; correlation analysis (evaluating the historical relationship of two securities or market segments movement in relation to each other); fundamental analysis (evaluating securities based upon its historical and projected financial performance); and cyclical analysis (determining the desirability of an issue based upon the status of an issue within the price cycle the security or similar securities have followed historically).

All investments involve risk. Personal Capital Advisors does not guarantee the results of the advice given. Significant losses can occur by investing in securities, or by following any investment strategy, including those recommended or applied by Personal Capital Advisors. The financial markets may change, sometimes rapidly and unpredictably, and Clients may not have the ability to avoid or prevent losses.

DISCIPLINARY INFORMATION

Personal Capital Advisors has no pending or prior discloseable legal or disciplinary events that are material to a client's evaluation of Personal Capital's advisory business or management.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Personal Capital Advisors has no other financial industry activities or affiliations.

CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Personal Capital Advisors has adopted a Code of Ethics designed to comply with Rule 204A-1 under the Investment Advisers Act of 1940. The Code establishes rules of conduct for all employees of Personal Capital Advisors and is designed to, among other things; govern personal securities trading activities in the accounts of employees, immediate family/household accounts and accounts in which an employee has a beneficial interest.

The Code is based upon the principle that Personal Capital Advisors and its employees have a fiduciary duty to Personal Capital Advisors Clients to conduct their affairs, including their personal securities transactions, in such a manner as to avoid (i) serving their own personal interests ahead of Clients, (ii) taking inappropriate advantage of their position with the firm and (iii) any actual or potential conflicts of interest or any abuse of their position of trust and responsibility. The purpose of the Code is to preclude activities which may lead to or give the appearance of conflicts of interest, insider trading and other forms of prohibited or unethical business conduct.

Our firm or individuals associated with our firm may buy or sell securities identical to those recommended to Clients for their personal accounts. In addition, any of our firm's related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a Client. This presents a potential conflict of interest in that an employee of our firm may purchase a security for himself/herself prior to that transaction being implemented in a Client's account, thus, receiving a more favorable price, commission, or allocation. Personal Capital Advisors monitors the personal securities trading of its employees and certain related accounts in order to monitor for violations of its code of ethics, such as front running or other suspicious activity. Material violations may result in disgorgement of profits or termination of employment.

The full text of Personal Capital Advisors Code of Ethics policy is available upon request.

BROKERAGE PRACTICES

Personal Capital Advisors does not recommend or select broker-dealers for Clients of PFAS.

AS program Clients are required to establish brokerage accounts at an approved broker-dealer in order to facilitate AS program trading and operations. Such broker-dealers are not affiliated with Personal Capital Advisors. Personal Capital Advisors and its adviser representatives do not participate in any form of transaction based commissions or undisclosed compensation arrangements.

Personal Capital Advisors AS Clients are not charged agency commissions or principal markups or markdowns.

~~Personal Capital 401k Clients are required by Third Party Administrators and plan Record Keepers to maintain custody relationships with approved service providers to facilitate program trading and operations. Such service providers are not affiliated with Personal Capital Advisors. Personal Capital Advisors and its adviser representatives do not participate in any form of transaction based commissions or undisclosed compensation arrangements.~~

Personal Capital Advisors does not currently participate in any soft dollar arrangements.

~~Personal Capital Advisors does not currently aggregate client trades. This may result in some clients receiving slightly different execution prices on some trades. Personal Capital Advisors does not believe this poses a conflict of interest or materially favors or disfavors any particular Client at this time. Personal Capital Advisors reserves the right to use an average price account to aggregate certain trades in the future.~~

REVIEW OF ACCOUNTS

Personal Capital Advisors does not review the accounts of PFAS Clients on a specific set schedule. Rather, Personal Capital Advisors' systems collect information about a Client's investment accounts on a regular basis, typically daily, and applies its recommendations and insights to that updated information as it becomes available. Personal Capital also recommends that Clients periodically check the information that Personal Capital is using to make recommendations to confirm that it is current.

AS program accounts are reviewed through electronic exception reporting on a continual basis. Monitoring is conducted by a member of the Investment Committee. Deviation from an account's determined asset allocation parameters and the addition or removal of a specific security from the designated model portfolio may trigger periodic rebalancing. A formal review of each AS account's financial and risk profile is conducted at least annually.

AS program clients receive periodic investment account statements from Personal Capital Advisors in addition to periodic statements from their qualified custodian. Clients are urged to compare activity, holdings and valuations.

~~Personal Capital 401k participant accounts are not individually reviewed by Personal Capital Advisors.~~

CLIENT REFERRALS AND OTHER COMPENSATION

Personal Capital Advisors may i) enter into third party client referral relationships from time to time, ii) pay fees to third parties for making Client referrals, and iii) will disclose to a prospective Client that a referral arrangement and referral compensation apply, as appropriate.

Personal Capital Advisors did not enter into any solicitation arrangements in 2011.

In early 2012, Personal Capital ~~Advisors~~ began a customer referral program whereby referrers and prospective clients each received cash bonuses for new clients of the complimentary PFAS program. Additional programs are contemplated.

CUSTODY

Personal Capital Advisors does not accept custody of Client funds or securities as part of PFAS.

Personal Capital Advisors may be technically deemed to have custody by virtue of its ability to automatically deduct quarterly advisory fees from AS program accounts ~~and non-fiduciary service fees from Personal Capital 401k accounts~~, but does not otherwise accept any form of custody of Client funds or securities as part of AS ~~or Personal Capital 401k engagements~~program. Clients of AS will receive periodic account statements directly from the qualified custodian. Clients are encouraged to carefully review and compare such statements with information provided by Personal Capital.

INVESTMENT DISCRETION

Personal Capital Advisors does not accept discretionary authority to manage securities on behalf of Clients of PFAS ~~or Personal Capital 401k participants~~.

Personal Capital Advisors does accept discretionary authority to manage securities on behalf of Clients of AS in accordance with the limited power or attorney granted under the AS advisory services agreement. AS program discretionary authority and trading restrictions are described in detail in the Personal Capital Advisors' Wrap Fee Program Brochure, available upon request.

VOTING CLIENT SECURITIES

Personal Capital Advisors does not accept authority to vote Client securities on behalf of Clients of PFAS ~~or Personal Capital 401k~~ participants.

Personal Capital Advisors does accept authority to vote Client securities in AS engagements in accordance with the limited power or attorney granted under the AS advisory services agreement. Voting of client securities under the AS program is described in detail in the Personal Capital Advisors' Wrap Fee Program Brochure, available upon request.

AS program clients may request a copy of how their securities have been voted and or a copy of the Firm's proxy voting policies and procedures by contacting their adviser representative.

FINANCIAL INFORMATION

Personal Capital Advisors is required to disclose any financial condition that is reasonably likely to impair our ability to meet contractual commitments to Clients.

The Firm is not subject to any financial commitment that impairs its ability to meet contractual and fiduciary commitments to its clients.