

Part 2A of Form ADV: Firm Brochure

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This brochure provides information about the qualifications and business practices of Peak Financial Management, Inc. If you have any questions about the contents of this brochure, please contact us at 781.487.9500 or Pran@peak-financial.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 Peak Financial Management, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 110559.

Item 2 - Material Changes

The firm filed its previous Form ADV Part 2A on 3/11/2013. This is an updating amendment. While there are no material changes to report about Peak financial Management, Inc. regarding its personnel, operations, and investment processes, this amendment further clarifies the firm's business operations in Items 4, 5, 7, 12, 13, 14, 15, and 16.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge. Currently, our Brochure may be requested by contacting Pran@Peak-Financial.com, or by calling us at 781.487.9500.

Additional information about Peak Financial Management, Inc. is also available via the SEC's web site www.adviserinfo.sec.gov. The SEC's web site also provides information about any persons affiliated with the firm who are registered, or are required to be registered as investment adviser representatives.

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Item 4 - Advisory Business

Peak Financial Management, Inc. is a SEC-registered investment adviser with its principal place of business located in Waltham, Massachusetts. Peak Financial Management, Inc. began conducting business in 1991.

Listed below are the firm's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of this company):

Pran Nath Tiku

Peak Financial Management, Inc. offers the following advisory services to our clients:

INVESTMENT SUPERVISORY SERVICES ("ISS") MODEL PORTFOLIO MANAGEMENT

Our firm provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions, in which goals and objectives based on a client's particular circumstances are established, we assign a client a model investment policy and manage their portfolio based on that policy. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance and liquidity needs. As appropriate, we also review and discuss a client's prior investment history, as well as family composition and background.

Our firm provides portfolio management services to clients using model asset allocation portfolios. Each model portfolio is designed to meet a particular investment goal.

Listed below are our Model Portfolios:

Income Model: Suitable for investors whose primary objective is to distribute regular and significant income and secondary objective is to provide some growth to preserve future purchasing power. Investor has low tolerance for risk of loss over time, but accepts the possibility of losses over a 12-18 month period. The strategic target allocation is 50% Equity/50% Fixed Income & Cash.

Balanced Model: Suitable for investors whose primary objective is to distribute regular or occasional income and secondary objective is to provide long-term growth. Investor has some tolerance for risk of loss over time and accepts the possibility of losses over a 1-2 year period with year-to-year fluctuations in value and returns. The strategic target allocation is 60% Equity/40% Fixed Income & Cash.

Moderate Growth Model: Suitable for investors whose objective is to provide long-term growth. Investor has high tolerance for risk of loss over an extended time frame and accepts the

possibility of losses over several years with volatility in year-to-year values and returns. The strategic target allocation is 70% Equity/30% Fixed Income & Cash.

Aggressive Growth Model: Suitable for investors whose objective is to provide aggressive long-term growth with no need for income. Investor has high tolerance for risk of sizable losses over an extended time frame and accepts the possibility of sizable losses over several years with substantial volatility in year-to-year values and returns. The strategic target allocation is 90% Equity/10% Fixed Income & Cash.

The underlying composition and allocation of asset classes may change in the models from time to time at Peak Financial Management, Inc.'s discretion based on market conditions and changes in client needs.

We manage these advisory accounts on a discretionary basis. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), time horizon, as well as tax considerations.

Through personal discussions with the client in which the client's goals and objectives are established, we determine if the model portfolio is suitable to the client's circumstances. Once we determine the suitability of the portfolio; the portfolio is managed based on the portfolio's goal, with adjustments based on each client's individual needs. Clients, nevertheless, have the opportunity to place reasonable restrictions on the types of investments to be held in their account. Clients retain individual ownership of all securities.

Our investment recommendations are not limited to any specific product or service offered by a custodian or insurance company and will generally include advice regarding the following securities:

- Exchange-listed securities
- Securities traded over-the-counter
- Certificates of deposit
- Mutual fund shares

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

FINANCIAL PLANNING

We provide financial planning services. Financial planning is a comprehensive evaluation of a client's current and future financial state by using currently known variables to attempt to predict future cash flows, asset values and withdrawal plans. Through the financial planning process, all questions, information and analysis are considered as they impact and are impacted by the entire financial and life situation of the client. Included in this service is a written report which provides the client with a detailed financial plan designed to assist the client achieve his or her financial goals and objectives. Financial planning services and written financial plans can

be delivered on an as needed basis or at the request of the client although there is no guarantee that these goals will be achieved.

In general, the financial plan can address any or all of the following areas:

PERSONAL: We review family records, cash flow, personal liability, estate information and financial goals.

TAX & CASH FLOW: We analyze the client's income tax and spending and planning for past, current and future years; and can illustrate the impact of various scenarios on the client's current income tax liability.

INVESTMENTS: We analyze investment alternatives and their effect on the client's portfolio.

INSURANCE: We review existing policies to ensure proper coverage for life, disability, long-term care, liability.

RETIREMENT: We analyze current strategies and investment plans to help the client achieve his or her retirement goals.

DEATH & DISABILITY: We review the client's predicted cash needs at death, income needs of surviving dependents, estate planning and disability income.

ESTATE: We assist the client in assessing and developing long-term strategies, including as appropriate, living trusts, wills, review estate tax, powers of attorney, asset protection plans.

We gather required information through in-depth personal interviews. Information gathered includes the client's current financial status, tax status, future goals, returns objectives and attitudes towards risk. We carefully review documents supplied by the client, including a questionnaire completed by the client, and prepare a written report. Should the client choose to implement the recommendations contained in the plan, we recommend the client work closely with his/her attorney, accountant, insurance agent, and/or stockbroker as Peak Financial Management, Inc. does not render legal or tax advice. Implementation of financial plan recommendations is entirely at the client's discretion.

We may also provide advice on general financial topics such as tax and budget planning and estate and business planning issues.

Typically an initial financial plan is presented to the client within six months of the contract date, provided that all information needed to prepare the financial plan has been promptly provided. The plan is generally updated on an annual basis or as needed.

Financial Planning recommendations are not limited to any specific product or security offered by a broker, custodian or insurance company. All recommendations are based on client's objectives, goals, and specific situation and are generally of a generic nature.

CONSULTING SERVICES

Clients can also receive investment advice on a more focused basis. This may include advice on only an isolated area(s) of concern such as estate planning, retirement planning, or any other specific topic. We also provide specific consultation and administrative services

regarding investment and financial concerns of the client.

Consulting recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company. All recommendations are of a generic nature.

AMOUNT OF MANAGED ASSETS

As of 12/31/2013 we were managing \$301,337,537 of clients' assets on a discretionary basis.

Item 5 -Fees and Compensation

INVESTMENT SUPERVISORY SERVICES (“ISS”)

MODEL PORTFOLIO MANAGEMENT FEES

The annualized fee for Model Portfolio Management Services will be charged as a percentage of assets under management, according to the following schedule:

Total Assets \$	<u>Fee Schedule</u>	
	Quarterly Fee %	Annual Fee %
\$1,000,000 and Under	0.3125%	1.25%
\$1,000,001 to \$3,000,000	0.25%	1.00%
\$3,000,001 and Over	0.225%	0.90%

Peak Financial Management’s advisory fees are generally not negotiable.

Minimum aggregate investable assets required is typically \$1,000,000 although smaller portfolios may be considered.

Fees are charged in advance.

Fees are debited to the clients’ accounts or billed directly to the clients. When debited to the clients’ accounts, clients will receive a report at the end of the quarter detailing the fees.

The specific manner in which fees are charged by Peak Financial Management, Inc, is established in each client’s written investment advisory agreement. Peak Financial Management’s advisory fees are generally not negotiable.

All material terms of the relationship will be included in the written investment advisory agreement executed by the client.

The firm will generally bill its fees on a quarterly basis, in advance. Clients may elect to be billed directly for fees or to authorize the Firm to directly debit fees from client accounts. Management fees are assessed on the balance of client assets at the end of each calendar quarter. Accounts initiated or terminated during a calendar quarter may be charged a prorated fee. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

The Firm’s advisory fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients are responsible for the payment of these costs and expenses. Clients may also incur certain other charges imposed by custodians, brokers, third-party investment managers, and other third-parties, such as interest charges, 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. Clients are responsible for the payment of these costs and expenses. Mutual funds, exchange-traded funds, investment advisors and private funds also charge internal management fees, which are disclosed in a fund's prospectus or offering documents. Such charges, fees and commissions are exclusive of, and in addition to, the Firm's advisory fees, and the Firm will not receive any portion of these commissions, fees, and costs.

FINANCIAL PLANNING FEES

Peak Financial Management's Financial Planning fee is determined based on the nature of the services being provided and the complexity of each client's circumstances. All fees are agreed upon prior to entering into a Financial Planning Agreement with any client.

Our Financial Planning fees are calculated and charged on an hourly basis, ranging from \$225 to \$250 per hour. Peak Financial Management's Financial Planning fees are generally not negotiable. Although the length of time it will take to provide a Financial Plan will depend on each client's personal situation, we will provide an estimate for the total hours at the start of the advisory relationship.

Financial Planning Fee Offset: Peak Financial Management reserves the discretion to reduce or waive the hourly fee and/or the minimum fixed fee if a financial planning client chooses to engage us for our Portfolio Management Services.

GENERAL INFORMATION

Termination of the Advisory Relationship: A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. As disclosed above, certain fees are paid in advance of services provided. Upon termination of any account, any prepaid, unearned fees will be promptly refunded. In calculating a client's reimbursement of fees, we will pro rate the reimbursement according to the number of days remaining in the billing period.

Mutual Fund Fees: All fees paid to Peak Financial Management for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Additional Fees and Expenses: In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians, including, but not limited to,

any transaction charges imposed by the custodian. Please refer to the “Brokerage Practices” section (Item 12) of this Form ADV for additional information.

Grandfathering of Minimum Account Requirements: Pre-existing advisory clients are subject to Peak Financial Management, Inc. minimum account requirements and advisory fees in effect at the time the client entered into the advisory relationship. Therefore, our firm’s minimum account requirements may differ among clients.

ERISA Accounts: Peak Financial Management may be deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act (“ERISA”), and regulations under the Internal Revenue Code of 1986 (the “Code”), respectively. As such, our firm may be subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, Peak Financial Management may only charge fees for investment advice about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees.

Advisory Fees in General: Clients should note that similar advisory services may (or may not) be available from other investment advisers for similar or lower fees.

Limited Prepayment of Fees: Under no circumstances do we require or solicit payment of fees in excess of \$1200 more than six months in advance of services rendered.

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

Peak Financial Management does not charge performance-based fees.

Item 7 - Types of Clients

Peak Financial Management provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals

As previously disclosed in Item 5, our firm has established certain initial minimum account requirements, based on the nature of the service(s) being provided. For a more detailed understanding of those requirements, please review the disclosures provided in each applicable service.

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

METHODS OF ANALYSIS

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

Charting. In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is moving up or down and to predict how long the trend may last and when that trend might reverse.

Fundamental Analysis. We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

Technical Analysis. We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement.

Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

Cyclical Analysis. In this type of technical analysis, we measure the movements of a particular stock against the overall market in an attempt to predict the price movement of the security.

Quantitative Analysis. We use mathematical models in an attempt to obtain more accurate measurements of a company's quantifiable data, such as the value of a share price or earnings per share, and predict changes to that data.

A risk in using quantitative analysis is that the models used may be based on assumptions that prove to be incorrect.

Qualitative Analysis. We subjectively evaluate non-quantifiable factors such as quality of management, labor relations, and strength of research and development factors not readily subject to measurement, and predict changes to share price based on that data.

A risk is using qualitative analysis is that our subjective judgment may prove incorrect.

Asset Allocation. Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance.

A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

Mutual Fund and/or ETF Analysis. We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has

demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

Third-Party Money Manager Analysis. We examine the experience, expertise, investment philosophies, and past performance of independent third-party investment managers in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We monitor the manager's underlying holdings, strategies, concentrations and leverage as part of our overall periodic risk assessment. Additionally, as part of our due-diligence process, we survey the manager's compliance and business enterprise risks.

A risk of investing with a third-party manager who has been successful in the past is that he/she may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a third-party manager's portfolio, there is also a risk that a manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our clients. Moreover, as we do not control the manager's daily business and compliance operations, we may be unaware of the lack of internal controls necessary to prevent business, regulatory or reputational deficiencies. **Risks for all forms of analysis.** Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

INVESTMENT STRATEGIES

We use the following strategy(ies) in managing client accounts, provided that such strategy(ies) are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

Long-term purchases. We purchase securities with the idea of holding them in the client's account for a year or longer. Typically we employ this strategy when:
we believe the securities to be currently undervalued, and/or.
we want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time,

we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

Short-term purchases. When utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

A short-term purchase strategy poses risks should the anticipated price swing not materialize; we are then left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss.

In addition, this strategy involves more frequent trading than does a longer-term strategy, and will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

Margin transactions. We may at times purchase securities for your portfolio with money borrowed from your brokerage account. This allows you to purchase more securities than you would be able to with your available cash, and allows us to purchase securities without selling other holdings. Interest charges are applicable to borrowed balances and the interest rate(s) will vary depending on current rates.

Risk of Loss. Clients should understand that investing in any securities, including mutual funds, involves a risk of loss of both income and principal.

Item 9 - Disciplinary Information

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.

Item 10 - Other Financial Industry Activities and Affiliations

Firm, employees and related persons are not engaged or directly affiliated with any other financial services institution other than those stated.

Pran Tiku, the firm's Principal, is a registered insurance agent.

Peak Financial Management may, depending on a client's individual needs, recommend Life, Disability or Long Term Care insurance products, for which Pran Tiku may earn a commission if the product is purchased by the client.

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

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

Peak Financial Management, Inc. and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and record-keeping provisions.

Peak Financial Management, Inc. Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to Pran@peak-financial.com, or by calling us at 781.487.9500.

Peak Financial Management, Inc. and individuals associated with our firm are prohibited from engaging in principal transactions.

Peak Financial Management, Inc. and individuals associated with our firm are prohibited from engaging in agency cross transactions.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

We may aggregate our employee trades with client transactions where possible and when compliant with our duty to seek best execution for our clients. In these instances, participating clients will receive an average share price and transaction costs will be shared equally and on a pro-rata basis. In the instances where there is a partial fill of a particular batched order, we will allocate all purchases pro-rata, with each account paying the average price. Our employee accounts will be excluded in the pro-rata allocation.

As these situations represent actual or potential conflicts of interest to our clients, we have established the following policies and procedures for implementing our firm's Code of Ethics, to ensure our firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

No principal or employee of our firm may put his or her own interest above the interest of an advisory client.

No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.

It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account. This prevents such employees from benefiting from transactions placed on behalf of advisory accounts.

Our firm requires prior approval for any IPO or private placement investments by related persons of the firm.

We maintain a list of all reportable securities holdings for our firm and anyone associated with this advisory practice that has access to advisory recommendations ("access person"). These holdings are reviewed on a regular basis by our firm's Chief Compliance Officer or his/her designee.

We have established procedures for the maintenance of all required books and records.

Clients can decline to implement any advice rendered, except in situations where our firm is granted discretionary authority. Any discretionary authority to Peak Financial Management, Inc. can be removed by written notification.

All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.

We require delivery and acknowledgement of the Code of Ethics by each supervised person of our firm.

We have established policies requiring the reporting of Code of Ethics violations to our senior management.

Any individual who violates any of the above restrictions may be subject to termination.

Item 12 - Brokerage Practices

Peak Financial Management, Inc. may from time to time block trades where possible and when advantageous to clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts, so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block. Block trading may allow us to execute equity trades in a timelier, more equitable manner, at an average share price. Peak Financial Management, Inc. will typically aggregate trades among clients whose accounts can be traded at a given broker, and generally will rotate or vary the order of brokers through which it places trades for clients on any particular day. Peak Financial Management's block trading policy and procedures are as follows:

- 1) Transactions for any client account may not be aggregated for execution if the practice is prohibited by or inconsistent with the client's advisory agreement with Peak Financial Management, Inc. or our firm's order allocation policy.

- 2) The trading desk in concert with the portfolio manager must determine that the purchase or sale of the particular security involved is appropriate for the client and consistent with the client's investment objectives and with any investment guidelines or restrictions applicable to the client's account.
- 3) The portfolio manager must reasonably believe that the order aggregation will benefit, and will enable Peak Financial Management, Inc. to seek best execution for each client participating in the aggregated order. This requires a good faith judgment at the time the order is placed for the execution. It does not mean that the determination made in advance of the transaction must always prove to have been correct in the light of a "20-20 hindsight" perspective. Best execution includes the duty to seek the best quality of execution, as well as the best net price.
- 4) Generally, each client that participates in the aggregated order must do so at the average price for all separate transactions made to fill the order, and must share in the commissions on a pro rata basis in proportion to the client's participation. Under the client's agreement with the custodian transaction costs may be based on the number of shares traded for each client.
- 5) Peak Financial Management, Inc.'s client account records separately reflect, for each account in which the aggregated transaction occurred, the securities which are held by, and bought and sold for, that account.
- 6) Funds and securities for aggregated orders are clearly identified on Peak Financial Management's records and to the custodians or other intermediaries handling the transactions, by the appropriate account numbers for each participating client.
- 7) It is the policy of the firm that no client account will be favored over another.

Peak Financial Management, Inc. may recommend that clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Co., Inc. ("Schwab"), a FINRA registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Although we may recommend that clients establish accounts at Schwab, it is the client's decision to custody assets with Schwab. Peak Financial Management is independently owned and operated and not affiliated with Schwab. Schwab provides Peak Financial Management, Inc. with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the adviser's clients' assets are maintained in accounts at Schwab Institutional. These services are not contingent upon our firm committing to Schwab any specific amount of business (assets in custody or trading commissions). Schwab's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For our client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab Institutional also makes available to our firm other products and services that benefit Peak Financial Management but may not directly benefit our clients' accounts. Many of these products and services may be used to service all or some substantial number of our client

accounts, including accounts not maintained at Schwab.

Schwab's products and services that assist us in managing and administering our clients' accounts include software and other technology that:

- i. provide access to client account data (such as trade confirmations and account statements);
- ii. facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- iii. provide research, pricing and other market data;
- iv. facilitate payment of our fees from clients' accounts; and
- v. assist with back-office functions, recordkeeping and client reporting.

Schwab Institutional also offers other services intended to help us manage and further develop our business enterprise. These services may include:

- i. compliance, legal and business consulting;
- ii. publications and conferences on practice management and business succession; and
- iii. access to employee benefits providers, human capital consultants and insurance providers.

Schwab may make available, arrange and/or pay third-party vendors for the types of services rendered to same. Schwab Institutional may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to our firm. Schwab Institutional may also provide other benefits such as educational events or occasional business entertainment of our personnel. In evaluating whether to recommend or require that clients custody their assets at Schwab, we may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors we consider and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

Peak Financial Management Inc. also has an arrangement with Fidelity Brokerage Services LLC (together with all affiliates, "Fidelity") through which Fidelity provides our firm with their "platform" services. The platform services include, among others, brokerage, custodial, administrative support, record keeping and related services that are intended to support intermediaries like same in conducting business and in serving the best interests of our clients but that may also benefit us.

Fidelity charges brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transactions fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). Fidelity enables Peak Financial Management to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. Fidelity's commission rates are generally considered discounted from customary retail commission rates. However, the commissions and transaction fees charged by Fidelity may be higher or lower than those charged by other custodians and broker-dealers. As part of the arrangement, Fidelity also makes available to our firm, at no additional charge to us, certain research and brokerage services, including research services obtained by Fidelity directly from independent research companies, as selected by Peak Financial Management (within specified parameters). These research and brokerage services presently include services

such as research, access restricted to conferences, websites, etc. and are used by our firm to manage accounts for which we have investment discretion.

Peak Financial Management may also receive additional services. Without this arrangement, we might be compelled to purchase the same or similar services at our own expense.

As a result of receiving such services for no additional cost, we may have an incentive to continue to use or expand the use of Fidelity's services. We examined this potential conflict of interest when we chose to enter into the relationship with Fidelity and have determined that the relationship is in the best interests of Peak Financial Management Inc.'s clients and satisfies our client obligations, including our duty to seek best execution. A client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where we determine in good faith that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates and responsiveness. Accordingly, while Peak Financial Management will seek competitive rates, to the benefit of all clients, we may not necessarily obtain the lowest possible commission rates for specific client account transactions. Although the investment research products and services that may be obtained by us will generally be used to service all of our clients, a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that specific client's account. Peak Financial Management is independently owned and operated and is not affiliated with Fidelity.

Item 13 - Review of Accounts

INVESTMENT SUPERVISORY SERVICES("ISS") MODEL PORTFOLIO MANAGEMENT SERVICE

REVIEWS: While the underlying securities within Model Portfolio Management Services accounts are continually monitored, these accounts are reviewed at least annually. Accounts are reviewed in the context of the investment objectives and guidelines of each model portfolio as well as any investment restrictions provided by the client. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

REPORTS: In addition to the monthly statements and confirmations of transactions that clients receive from their broker-dealer, we provide quarterly reports summarizing account performance, balances and holdings. These reports will also remind the client to notify us if there have been changes in the client's financial situation or investment objectives and whether the client wishes to impose investment restrictions or modify existing restrictions.

FINANCIAL PLANNING SERVICES

REVIEWS: While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for Financial

Planning clients unless specifically contracted for.

REPORTS: Financial Planning clients will receive a completed financial plan. Additional reports will not typically be provided unless specifically contracted for.

Item 14 - Client Referrals and Other Compensation

CLIENT REFERRALS: Our firm may pay referral fees to independent persons or firms (“Solicitors”) for introducing clients to us. Whenever we pay a referral fee, we require the Solicitor to provide the prospective client with a copy of this document (our Firm Brochure) and a separate disclosure statement that includes the following information:

- the Solicitor’s name and relationship with our firm;
- the fact that the Solicitor is being paid a referral fee;
- the amount of the fee;
- whether the fee paid to us by the client will be increased above our normal fees in order to compensate the Solicitor.

As a matter of firm practice, the advisory fees paid to us by clients referred by solicitors are not increased as a result of any referral.

OTHER COMPENSATION: Our firm and/or our officers are eligible to receive commissions for the sale of certain types of insurance policies which we recommend to clients as a part of their comprehensive financial plan as long as it is in the best interest of the client.

Item 15 - Custody

We previously disclosed in the “Fees and Compensation” section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts.

As part of this billing process, the client’s custodian is advised of the amount of the fee to be deducted from that client’s account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

In addition to the periodic statements that clients receive directly from their custodians, we also send account statements directly to our clients on a quarterly basis. We urge our clients to carefully compare the information provided on these statements to ensure that all account transactions, holdings and values are correct and current.

Other than the arrangement discussed in Paragraph Item 5 for direct debiting of certain client accounts, our firm does not have actual or constructive custody of client accounts.

Item 16 - Investment Discretion

Clients may hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- determine the security to buy or sell; and/or
- determine the amount of the security to buy or sell
- Negotiate custodial commission rates for the buying or selling of securities

Clients give us discretionary authority when they sign a discretionary agreement with our firm, and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

As previously disclosed in Item 4 of this brochure, our firm does not provide discretionary asset management services.

Item 17 - Voting Client Securities

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

We may provide clients with consulting assistance regarding proxy issues if they contact us with questions at our principal place of business.

Item 18 - Financial Information

Registered investment advisors are required in this Item to provide certain financial information or disclosures about their financial condition

Peak Financial Management, Inc. has no additional financial circumstances to report or disclose.

Under no circumstances do we require or solicit payment of fees in excess of \$1200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

Peak Financial Management, Inc. has not been the subject of a bankruptcy petition at any time during the past ten years.