



Item 1 – Cover Page

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ADV Part 2A Appendix 1 / Wrap Brochure
May 2014

This wrap fee program brochure provides information about the qualifications and business practices of Redwood Financial Network Corp. ("Redwood", the "Company", "us", "we", "our"). If you ("client", "your") have any questions about the contents of this brochure, please contact us at (440) 287-5020. The information in this wrap brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

We are a registered investment adviser. Our registration as an investment adviser does not imply any level of skill or training. Additional information about Redwood is available on the SEC's website at www.adviserinfo.sec.gov (click on the link, select "Investment Adviser Search" and type in our firm name). The results will provide you with both Parts 1 and 2 of our Form ADV.

Item 2 – Material Changes

The only material change to report since the last filing of Redwood's Form ADV Part 2A Appendix 1 or "Wrap Brochure" dated April 2013 is the Company is eligible for SEC registration.

Pursuant to amendments made to rules promulgated under the Investment Advisers Act of 1940, as amended (the "Advisers Act"), and the form formerly known as Form ADV Schedule H. This Wrap Brochure was developed in response to new requirements adopted and imposed by the SEC under the Advisers Act.

For future filings, this section of the Wrap Brochure will address only those "material changes" that have been incorporated since our last delivery or posting of this document on the SEC's public disclosure website (IAPD) at www.adviserinfo.sec.gov.

We may, at any time, update this Wrap Brochure and send you a copy that includes a summary of material changes. These changes may be communicated either by electronic means (email) or by mail.

If you would like another copy of this Wrap Brochure, please download it from the SEC website as indicated above or you may contact our Chief Compliance Officer, William J. Gordon III at (440) 287-5020 or via email at bgordon@redwoodfn.com.

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Item 4 – Services, Fees and Compensation

Redwood Financial Network Corp. was organized as a corporation under the laws of the State of Ohio on June 10, 2011 and is owned by the following individuals:

William J. Gordon, III	25%
Russell B. Howard	25%
Sunwook Jin	25%
Gregory Benner	25%

We became a registered as an investment adviser with the Ohio Division of Securities (“Division”) and the Illinois Securities Department (“Department”) on February 2012 in order to provide the investment advisory products and services described within this document. Currently, we are federally registered as an investment adviser with the SEC since April 28, 2014 and we notice file with the state securities departments when required. As of March 31, 2014, we managed \$91,463,737 on a discretionary basis and \$11,950,294 on a non-discretionary basis.

Redwood provides asset allocation and ongoing investment management services, including a wrap fee program, Redwood Asset Management (RAM). RAM provides a professional asset management service for a convenient, single fee that covers account management, brokerage, clearing, custody and administrative services. We will receive a portion of the RAM fee for our services. RAM is administered through our clearing borker/dealer, LPL Financial (“LPL”). RAM may be discretionary or non-discretionary, dependent upon client preferences and needs.

Wrap Fee:

The annual fee for this service ranges from 0.50% to 2.5%. Fees are negotiable. LPL will deduct Redwood’s fee quarterly in advance; however, for the initial fee deduction, LPL will deduct Redwood’s fee at the beginning of the quarter following the establishment of the Account and will include a prorated fee for the initial quarter in addition to the quarterly Redwood fee for the upcoming quarter. Subsequent fee deductions will be made at the beginning of each quarter based on the value of the Account assets as of the close of business on the last business day of the preceding quarter. Additional deposits and withdrawals will be added or subtracted from the assets, which may lead to an adjustment of Redwood’s fee. Certain accounts may establish procedures to pay Redwood’s fee directly rather than through a debit to the

Account. The fee schedule may vary based upon portfolio size and other business considerations. You may terminate this service at any time and a refund will be made on a pro-rata (by day) basis of any fees paid in advance.

We deliver the Form ADV Part 2 to the client before or at the time Redwood enters into an investment advisory contract with the client.

Potential Conflicts of Interest:

Even though we believe LPL Financial's fee are competitive, lower fees for similar services may be available from other sources. Upon your written authorization, we may debit investment advisory fees directly from your account and pay such amounts to Redwood. This fee arrangement wherein asset management fees are debited from your account will not trigger any constructive custody. You authorize LPL to accept instructions from Redwood regarding adjustments to Redwood's fees in circumstances such as a fee waiver or credit or a reduction in fee. Adjustments to increase the fee set out in the Account Application may be made only at your instruction. You understand that LPL will not verify that the fees are consistent with those set out in the agreement between you and Redwood. You will see the amounts deducted from the Account on statements and will verify them based on the fee rates you negotiated with Redwood. It is agreed by you that the fee will be payable, first, from free credit balances, if any, in the Account, and second from the liquidation or withdrawal by LPL of your shares of any money market fund balances in any money market account, or balances in any insured deposit account, if applicable. You acknowledge that LPL does not set the fee of Redwood applicable to the Account.

Because mutual funds pay advisory fees to their investment advisors, such fees are therefore indirectly charged to all holders of mutual fund shares. Clients with mutual funds in their portfolios are effectively paying us and the mutual fund advisor for the management of their assets. Clients who place mutual fund shares under our management are therefore subject to our direct management fee and the indirect management fee of the mutual fund advisor.

Mutual Fund Internal Expenses:

Internal advisory fees and expenses are paid by the mutual fund companies to their fund advisers, and/or sub account sponsors. These internal expenses are further outlined in the Fund Companies' Prospectuses. The program sponsor may act as broker in connection with mutual funds which are designated for management in the program and thus may receive additional compensation, separate from its Investment Advisory Program. Redwood only receives a portion of the advisory fee and does not share in the revenue produced by mutual fund investments.

General Information on Advisory Programs and Fees:

All fees paid to us are separate and distinct from the fees and expenses charged by mutual funds 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.

You could invest in a mutual fund directly, without our services. In that case, you would not receive the services we provide which are designed, among other things, to assist you in determining which mutual fund or funds are most appropriate to your financial condition, goals, and objectives. Accordingly, you should review both the fees charged by the funds and the fees we charge to fully understand the total amount of fees to pay and to thereby evaluate the advisory services being provided.

Advisory recommendations are based on your financial situation at the time the services are provided and are based on financial information you disclose to us. You are advised that certain assumptions may be made with respect to interest and inflation rates and the use of past trends and performance of the market and economy. Past performance is in no way an indication of future performance. As your financial situation, goals, objectives, or needs change, you must notify us promptly.

We shall never have custody of any your funds or securities, as the services of LPL Financial, a qualified and independent custodian will be used for these asset management services.

The wrap fee service may cost clients more or less than purchasing such services separately depending on the frequency of trading in the client's accounts, commissions charged at other broker/dealers for similar products and fees charged for like services by other broker/dealers and other factors.

Under the RAM Program, you will pay a single fee for investment advice and all transaction related costs associated with executing transactions (except for incidental costs such as wire fees or bank charges). The RAM Fee also does not cover certain fees and expenses associated with investments in mutual funds, as discussed above. Other costs that may be assessed to you and that are not part of the wrap fee include fees for portfolio transactions executed away from Broker, dealer mark-ups, electronic fund and wire transfers, spreads paid to market-makers, dealer mark-ups, market maker spreads and exchange fees, among others.

We may receive compensation or other benefits in addition to the RAM fee we receive from you and, therefore, we may have an incentive to engage in such transactions. This

compensation may be more than what you would receive if you participated in other programs or paid separately for investment advice, brokerage, and other services. Therefore, we may have a financial incentive to recommend the wrap fee program over other programs or services.

Item 5 – Account Requirements and Types of Clients

We offer financial and investment advisory services to individuals, pension and profit sharing plans, charitable organizations, and corporations or other businesses not listed above.

The minimum account size for the RAM account for new clients is \$250,000. Under certain circumstances, Redwood will consider waiving the minimum account size requirements.

Item 6 – Portfolio Manager Selection and Evaluation

Our associated persons, providing investment advice to you under the RAM Program, will be required to meet the specific state registration examination requirements, unless exempted, in order to provide such advice.

Performance-Based Fees and Side-By-Side Management

We do not charge performance based fees (i.e., advisory fees based on a share of the capital gains on or capital appreciation of the assets of a client). Our compensation structure is disclosed in detail in Item 4 above.

Methods of Analysis, Investment Strategies and Risk of Loss

Your investment portfolio will be tailored to help you accomplish your unique financial goals and objectives. After developing a thorough understanding of your risk tolerance and short and long-term goals, we will work together to create a customized investment portfolio designed specifically for you. You have the opportunity to place reasonable restrictions or constraints on the way your account is managed; however, such restrictions may affect the composition and performance of your portfolio. For these reasons, performance of the portfolio may not be identical with our average client.

Our investment process involves four (4) steps:

- 1) Discovery: Discuss and evaluate goals, risk tolerance, tax considerations and time horizon.
- 2) Portfolio Construction: Determine asset allocation and recommend specific strategies and securities.
- 3) Implementation: Establish the appropriate accounts, complete funding of accounts and execute initial portfolio trades.
- 4) Monitor and Review: Evaluate performance, provide ongoing due diligence of investment positions, rebalance portfolio and manage tax efficiency.

Redwood maintains a disciplined long term approach to investing. Investment alternatives may include mutual funds, exchange traded products (ETPs), individual stocks, real estate investment trusts (REITs), individual bonds, structured notes, options, certificates of deposit (CDs), insured savings accounts and money markets. The selection and use of these investment alternatives may depend on your financial

situation. We will rebalance your portfolio periodically to control risk, take profits and enhance tax efficiency. We will reduce or eliminate positions due to lack of performance, to reduce concentrations in a security or sector of the market, to achieve certain tax benefits, to capture profits and to tactically re-allocate holdings. There are inherent risks involved for each investment strategy or method of analysis we use and the particular type of security we recommend. Investing in securities involves risk of loss which you should be prepared to bear.

Our affiliation with LPL Financial allows our clients to benefit from their experienced team of professionals. LPL was established in 1968 and is the largest independent broker/dealer in the country with headquarters in Boston, Charlotte and San Diego. They offer research related to asset allocation strategies, portfolio construction, manager selection, analysis of the markets and they provide tools and resources to enhance our portfolio management process.

We also utilize additional research subscriptions to evaluate and monitor securities which may include:

- Morningstar
- Standard & Poors
- LPL Retirement Partners

Voting Client Securities (i.e., Proxy Voting)

We do not have, nor will we accept authorization to vote client securities. Clients will receive their proxies or other solicitations directly from their custodian or a transfer agent. Clients should contact their custodian or a transfer agent with questions about a particular solicitation.

Item 7 – Client Information Provided to Portfolio Managers

We have access to client information as our supervised persons act as the portfolio managers for the wrap fee program described in Item 4 above. Pursuant to applicable Federal and/or State Privacy Regulations, Redwood is a financial institution that has determined to keep confidential non-public personal information about each Redwood client.

We obtain the necessary information and review your financial situation and investment portfolio including your risk tolerance to determine and set the appropriate short and long-term investment goals, and objectives. We encourage that you notify us if there have been any changes in your financial situation or investment objective, or if you wish to impose any reasonable restrictions or modify any existing reasonable restrictions on the management of your account.

Item 8 – Client Contact with Portfolio Managers

We have not placed any restrictions on your ability to contact and consult with your portfolio manager.

Item 9 – Additional Information

Disciplinary Information

We do not have any legal, financial or other “disciplinary” items to report. We are obligated to disclose any disciplinary event that would be material to you when evaluating us to initiate a Client / Adviser relationship, or to continue a Client /Adviser relationship with us.

This statement applies to Redwood, and each employee.

Other Financial Industry Activities and Affiliations

Neither the Company nor any of our management persons (except as disclosed below) are registered, or have an application pending to register as a broker-dealer, futures commission merchant, commodity pool operator, commodity trading advisor or as an associated person of the foregoing entities, except as disclosed below.

In addition, neither the Company nor any of our management persons have any relationship or arrangement that is material to our advisory business or to our clients that we or any of our management persons have with any related person that is, under common control and ownership, a:

- Broker-dealer, municipal securities dealer, or government securities dealer or broker,
- Investment company or other pooled investment vehicle,
- Other investment adviser or financial planner,
- Futures commission merchant (or commodity pool operator or commodity trading advisor),
- Banking or thrift institution,
- Accountant or accounting firm,
- Lawyer or law firm,
- Insurance company or agency,
- Pension consultant,

- Real estate broker or dealer or
- Sponsor or syndicator of limited partnerships.

IARs of Redwood are registered representatives and investment adviser representatives of LPL Financial, a registered broker dealer member FINRA & SIPC and investment advisor with various state regulatory agencies. Redwood has chosen to deliver their services in this fashion in order to offer their clients diverse and extensive investment and planning opportunities. This may represent a conflict of interest since their time is split between two business operations. IARs of Redwood are compensated by a fee based on assets in the advisory accounts or fee for financial planning rather than receiving commissions. Redwood IARs may also provide fee based retirement plan services as IARs of LPL Financial. Additionally, Redwood IARs may receive compensation (commission) based upon the sale of an investment product, including distribution and service fees from the sale of mutual funds in non-managed accounts as registered representatives of LPL Financial. Prior to these transactions being effected, registered representatives will disclose this conflict of interest.

Redwood is licensed as an insurance agency with the Ohio Department of Insurance to sell accident & health and life insurance products. Certain IARs are licensed to sell life, health and long-term care insurance products through various companies. Appropriately licensed IARs will receive compensation for the sale of such products. You are under no obligation to purchase insurance products through any particular insurance agency or IAR and may effect any such transactions where you desire.

As part of our duty to you, we attempt at all times to put your interest first. The IARs may spend as much as 25% of their time with LPL Financial and as agents of various insurance companies.

The above affiliation may be considered material. However, we are not under common control and ownership with, and therefore, not affiliated with LPL Financial or any of its affiliates.

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

The Code of Ethics adopted and implemented by Redwood applies to the activities of Redwood, a Registered Investment Adviser, under the Investment Advisers Act of 1940 (as amended—the Advisers Act). All employees of Redwood are deemed by the

Advisers Act to be supervised persons¹ and are therefore subject to this Code of Ethics. In carrying on its daily affairs, Redwood and all of its associated persons shall act in a fair, lawful and ethical manner, in accordance with the rules and regulations imposed by the Company's governing regulatory authority.

Redwood has created a Code of Ethics which establishes standards and procedures for the detection and prevention of certain conflicts of interest including activities by which persons having knowledge of the investments and investment intentions of Redwood might take advantage of that knowledge for their own benefit.

We have in place Ethics Rules (the "Rules"), which are comprised of the Code of Ethics and Insider Trading policies and procedures. The Rules are designed to ensure that our personnel (i) observe applicable legal (including compliance with applicable state and federal securities laws) and ethical standards in the performance of their duties; (ii) at all times place your interests first; (iii) disclose all actual or potential conflicts; (iv) adhere to the highest standards of loyalty, candor and care in all matters relating to you; (v) conduct all personal trading consistent with the Rules and in such a manner as to avoid any actual or potential conflict of interest or any abuse of their position of trust and responsibility; and (vi) not use any material non-public information in securities trading. The Rules also establish policies regarding other matters such as outside employment, the giving or receiving of gifts, and safeguarding portfolio holdings information.

Under the general prohibitions of the Rules, our personnel may not: 1) effect securities transactions while in the possession of material, non-public information; 2) disclose such information to others; 3) participate in fraudulent conduct involving securities held or to be acquired by any client; and 4) engage in frequent trading activities that create or may create a conflict of interest, limit their ability to perform their job duties, or violate any provision of the Rules.

Our personnel are required to conduct their personal investment activities in a manner that we believe is not detrimental to its advisory clients. Our personnel are not permitted to transact in securities except under circumstances specified in the Code of Ethics. However, as described below, there may be circumstances where our personnel may buy and sell on behalf of its clients, securities of issuers or other investments in which they own securities or otherwise have an interest. The policy requires all Access Persons² (defined as investment personnel, which includes portfolio managers,

¹ Supervised person means any partner, officer, director (or other person occupying a similar status or performing similar functions), or employee of an investment adviser, or other person who provides investment advice on behalf of the investment adviser and is subject to the supervision and control of the investment adviser.

² Access person means any of your supervised persons who has access to nonpublic information regarding any clients' purchase or sale of securities, or nonpublic information regarding the portfolio holdings of any reportable fund, or who is involved in making securities recommendations to clients, or who has access to such

assistant portfolio managers, research analysts and trading room personnel, our officers, and other designated persons) to report all personal transactions in securities not otherwise exempt under the policy. All reportable transactions are reviewed for compliance with the Code of Ethics. In the event that you request a copy of Redwood's Code of Ethics, we will furnish a copy within a reasonable period of time to you at your current address of record.

We and our associated persons do not provide recommendations for your accounts, insecurities that we (or our associated persons) have a material financial interest.

The Company or its associated persons may buy or sell for themselves, investment products that are also recommended to clients. Associated persons seek to ensure that they do not personally benefit from the short-term market effects of their recommendations to clients and their personal transactions are regularly monitored. In instances where the representative buys or sells the same securities as those of their clients, the client's accounts are given priority. Records will be maintained of all securities or insurance products bought or sold by the Company, associated persons or related entities. Such records will be available for inspection upon request.

Files of securities transactions affected for associated persons of the Company will be maintained for review should there be a conflict of interest. The principal of the Redwood will review all securities transactions of our related persons to ensure no conflicts exist with client executions. To prevent conflicts of interest, all employees of Redwood must comply with the firm's Written Supervisory Procedures, which imposes restrictions on the purchase or sale of securities for their own accounts and the accounts of certain affiliated persons.

Notwithstanding the above, Redwood, and/or their officers, directors or employees may purchase for themselves similar or different securities as are purchased or recommended for investment advisory clients of Redwood, and different securities or transactions may be effected or recommended for different investment advisory clients of Redwood.

Pursuant to applicable Federal and/or State Privacy Regulations, Redwood is a financial institution that has determined to keep confidential non-public personal information about each Redwood client.

As discussed above, certain associated persons of Redwood are registered representatives of LPL Financial. As a result of this relationship, LPL Financial may have access to certain confidential information (e.g., financial information, investment

recommendations that are nonpublic. If providing investment advice is your primary business, all of your directors, officers and partners are presumed to be access persons.

objectives, transactions and holdings) about Redwood's clients, even if client does not establish any account through LPL. If you would like a copy of the LPL Financial privacy policy, please contact Redwood.

A full copy of the Redwood's Privacy Policy is provided, upon inception, of a new client and is provided each year thereafter. You may request a copy of Redwood's Privacy Policy and a copy will be furnished within a reasonable period of time to you at your current address of record, at any time.

Review of Accounts

The Chief Compliance Officer ("CCO") will utilize LPL Financial's Advisory Account Review tool to manage review of advisory accounts. This surveillance system allows the CCO to identify performance issues, asset allocation issues, lack of transactions and concentrated positions. The review process is completed on a quarterly basis. The review covers evaluation of the account's asset allocation against the recommended allocation for that particular investment objective. The process also includes evaluation of the account's performance against benchmarks of similar investment objectives. Changes in an account holder's personal, tax, or financial status may trigger additional reviews as well as macroeconomic and company specific events.

Clients will receive written transaction confirmations and/or statements monthly or at least quarterly from the qualified custodians. Collectively, these reports will list client's account holdings, transactions and fees paid to us.

Client Referrals and Other Compensation

While we do not receive an economic benefit from a non-client for providing investment advice or other advisory services to our clients, our IARs may occasionally receive compensation from firms in which the client implements non-security transactions. In their capacities as registered representatives of LPL Financial, our IARs may also receive commissions or fees from LPL or payments from certain mutual funds distributed pursuant to a 12b 1 distribution plan or other such plans as compensation for administrative services, representing a separate financial interest. As such, a conflict of interest may exist with respect to recommendations to buy or sell such securities. In all cases, transactions are effected in the best interests of the client.

We may compensate any person who is not our supervised person for client referrals. Compensation may vary from 5% - 25% and may be calculated based on fees paid to us from a planning engagement. Compensation provided may include a one time payment or it may continue on a recurring basis over a specified period of time. Such solicitation arrangements will comply with the requirements set out in the SEC Rule 206(4)-3 of the Investment Advisers Act of 1940, including the requirement that the

relationship between the solicitor and the investment adviser be disclosed to the client at the time of the solicitation or referral. In any such case, applicable state laws may require these solicitors to become either licensed as our IARs or as an independent investment adviser. The client will be requested to acknowledge this arrangement prior to acceptance of the clients' funds.

Refer to Item 4 above for details of our compensation structure as well as any other compensation our IARs may receive.

Financial Information

We have no financial condition that is reasonably likely to impair our ability to meet contractual commitments to you given that we do not have custody of client funds or securities, or require or solicit prepayment of fees greater than \$1,200 per client and six months or more in advance. In addition, we are not currently, nor at any time in the past ten years been, subject of a bankruptcy petition.

Item 10 – Requirements for State-Registered Advisers

We are an SEC registered investment adviser so this section does not apply to us.