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COMPASS FINANCIAL ADVISORS, LLC

FORM ADV – PART 2A INFORMATION

March 31, 2014

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This Brochure provides information about the qualifications and business practices of Compass Financial Advisors, LLC (“Compass”) (CRD No. 109131). If you have any questions about the contents of this Brochure, please contact us at (219) 476-7100. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about Compass, including a copy of its Form ADV Part 1, is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 - Material Changes To This Brochure Since Its Last Annual Update

NONE

Item 3

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Item 4 - Advisory Business

Compass Financial Advisors, LLC ("Compass") is an investment adviser registered with the U.S. Securities and Exchange Commission ("SEC"). Individuals associated with Compass provide the advisory services on behalf of the firm. These individuals are appropriately licensed, qualified and authorized to provide advisory services on Compass' behalf and are called Investment Adviser Representatives ("Representatives"). Compass has been offering advisory services since November 1998. A majority of the membership interests in Compass are owned by Bruce Patterson, David Fought and Compass Financial Holdings, LLC, a holding company, which is owned by Louis J. Rogers and James A. Riggs. Compass does not control any other firm. Compass makes both investment management and counseling services available to a wide variety of clients. Compass Representatives begin each advisory service by carefully examining the client's investment objectives and financial circumstances. During this stage, time is taken to educate clients about the various features of different types of investments to make them aware that attempting to attain a higher rate of return entails accepting higher levels of risk. It is the client's responsibility to ask questions if there is something the client does not understand. Once this initial evaluation is complete, Compass Representatives will recommend one or more of the advisory services described in detail below. Compass also offers a wrap fee service which is described in a separate Form ADV, Part 2A "Wrap Fee" Appendix 1 Brochure.

Fundamental Planning Services

This service begins by a Representative evaluating the financial objectives and circumstances of a client, determining the client's short- and long-term needs, analyzing alternate strategies, and then drafting written financial plans that may be simple or complex. The service may involve a one-time project or a long-term ongoing engagement. These services are designed for situations where there is not a large dollar amount of investments to manage or where the planning project issues are complex or dealing with issues outside the area of portfolio management. General areas addressed by planning services may include funding retirement income, wealth accumulation and retention, general cash flow planning, estate planning, business continuation planning, pension planning and deferred compensation planning.

In designing a fundamental Plan, regardless of the complexity, Representatives will:

Interview the client, analyze the client's financial needs and assist the client in developing realistic goals and objectives based on information provided by the client. The Representative may also clarify planning problems and outline strategies designed to be solutions. A client may retain Compass to perform a single nonrecurring project, such as investment research or specific investment advice, retirement planning or insurance analysis, rather than preparing a comprehensive plan covering these and other subjects. The client may also engage a Representative for projects that may take a long period of time if more complex long-term planning is needed.

Prepare a written Financial Plan in the scope requested by a client based on the information gathered during the client interview and needs evaluation. This Plan may include establishing a clear set of objectives, an outline of resources, a written investment policy statement, an asset

allocation model, strategy recommendations, product recommendations, and steps for implementing the Plan.

Help the client implement the Plan, including purchasing and/or selling securities and/or insurance products.

Review the Plan periodically, no less than annually, or as agreed upon with the client.

The Representative may also, as needed, recommend changes to the client's investment portfolio or Plan, either in writing or verbally. Changes in the client's financial condition, personal circumstances, goals, or general economic conditions may trigger changes in the Plan. To the extent material changes have occurred to a client's circumstances or goals, or to the extent a client requests a new project, the client will be asked to sign a new services agreement. The client may initiate contact with a Representative as often as needed and the Representative will schedule conferences as needed, usually no less than annually.

All planning is based on information provided by the client. It is the client's responsibility to be certain Compass has current and accurate information for the initial plan and it is the client's responsibility to inform the Representative of material changes affecting the investments and planning strategies implemented.

Asset Allocation and Portfolio Supervision Services

Compass and its Representatives can provide asset allocation and portfolio management services under the firm's Asset Allocation and Portfolio Supervision program. The services include investment analysis, allocation of investments, quarterly portfolio statements, ongoing monitoring, and formal reviews of the portfolio at the times Representatives select.

Through the program, clients receive investment analysis, allocation recommendations, monthly or quarterly statements reflecting holdings and transactions, quarterly analysis statements, and ongoing monitoring services for a portfolio which may include stocks, bonds, mutual funds, exchange-traded funds, private placements, and convertible securities. Compass may also recommend the use of third-party investment managers and, depending upon the services agreement signed. Compass may have authority from the client to exercise discretion in hiring and terminating a manager. Accounts are restricted from buying, selling, or holding positions in so called Class C (level load) mutual fund shares. All eligible securities can be bought in an Asset Allocation and Portfolio Supervision account or transferred into the account.

Under the program, the initial asset allocation process is based on the financial information gathered from the client including net worth, risk tolerance, financial goals and objectives and overall financial conditions. Based on that information, the client is provided with investment recommendations designed to provide an appropriate asset mix consistent with the client's objections. The client's portfolio and its performance are monitored by the client's Representative in light of the client's stated goals and objectives. The frequency of these reviews is determined by the Representative. Depending on the type of services agreement signed by the client, Compass may have discretion to place orders at will, and will do so without first contacting the client for permission for a transaction. Compass Representatives meet with the client on an as needed basis to discuss the portfolio or other aspects of the service.

Compass typically recommends that investment management clients use the custody services of Pershing LLC. Pershing provides custody of client assets, process transaction orders for client accounts, prepare account activity statements, and facilitate the payment of advisory fees due Compass and third-party managers.

As a general rule, Compass believes that investing is best suited to those who believe in a long-term buy-and-hold policy. Therefore, clients should not expect frequent investment changes in the portfolio. However, as a result of monitoring the account, portfolio modifications may occasionally be advisable and made. Note: This is not a “wrap” fee program. Commissions will be charged for transactions by the brokerage firm processing the transactions. Wrap account services are available from Compass and described in Compass’ Form ADV Part 2A Appendix 1.

As of March 31, 2014, Compass had assets of approximately \$144,733,483 under discretionary management and \$48,073,323 under non-discretionary management.

Independent Investment Manager Services

Representatives may choose to recommend the use of third party managers that perform allocation modeling, investment selection, monitoring, rebalancing and reporting. Fees to Compass for such services, including those for monitoring the other managers’ services, are usually calculated as a percentage of the assets under management.

Compass may enter into various agreements with unaffiliated investment managers who independently offer investment management and asset allocation services. Compass will not conduct a comprehensive search for such advisers, but will usually recommend those it is familiar with and believes will provide competent investment management services to clients. Other independent firms may provide services at higher or lower costs and have better or worse performance than managers recommended by Compass. Once a client has selected a manager, Compass provides the manager with information regarding the client’s financial background and objectives. The client then enters into an agreement with the manager resulting in the manager agreeing to manage the client’s account on a discretionary basis. Compass, itself, may also enter into such agreements, provided a client has granted discretion to Compass to do so. Using discretion, the managers purchase and sell securities without first contacting the client or Compass to do so.

After referring a client to a third party manager, Compass consults periodically with a client regarding the performance of the client’s managed account and assists the client on an ongoing basis regarding adjustments to asset allocations and other matters. Compass usually does not recommend replacement of a manager based upon short-term results but will recommend such changes when it deems it appropriate to do so.

Retirement Plan Advisory Services

These Services are provided to plan sponsors needing assistance in selecting and evaluating investments for their retirement plan and participants. Plan set-up services are available. At least semi-annually, or more frequently if requested by a sponsor, Compass will perform a portfolio evaluation to determine how well plan investments are performing. Compass Representatives also provide general advice to plan participants regarding the nature of

investments available in the plan and regarding alternative investment strategies to select to attempt to achieve different investment objectives.

Compass may enter into agreements with employers that provide qualified retirement plans (the “Plan”) with various advisory services. Compass can provide the following services:

Investment Advice to the Employer at a Plan Level –

Annually, or more often if requested by the client or deemed necessary by Compass, Compass will deliver a written report to the Plan which includes:

1. Review of the Plan’s Investment Policy Statement, including assessing the following: (a) the criteria for selecting money managers and the due diligence procedures that the Plan followed in selecting its money managers and/or mutual funds; (b) the basis for asset mix and rebalancing limits; (c) the performance measurement criteria; (d) monitoring procedures of money managers and other investment-related vendors; (e) composition and relevancy of quarterly performance reports; (f) composition of custodial reports; and (g) termination procedures for money managers.

Review of providers (custodians and recordkeeping) available to the Plan including: (a) the capabilities of various providers; (b) the performance record of various providers; (c) the scope of investment choices at various providers; and (d) the cost of various providers.

Review of the Plan’s overall investment activities for possible conflicts of interests or prohibited transactions by the fiduciary, money managers and/or consultants.

Review, if applicable, of the Plan’s socially responsible investment objectives.

Periodically as requested by the client, or deemed necessary by Compass, Compass will conduct a fund/portfolio review (either alone or with the Plan’s investment policy committee) to include:

2. Portfolio design and asset allocation recommendations for at least five various investment models designed with (a) varying time horizons, (b) risk tolerance, and (c) investment return objectives;

The appropriateness of the managers/funds relative to the Plan’s asset allocation within each model and relative to the criteria set forth in the Plans Investment Policy Statement;

Current performance of each of the managers/funds against their appropriate peer group and relevant industry benchmark; and

Investment education for the participants of the Plan, including having a Representative available semi-annually, (or more often if agreed upon by the client and Compass) in person and daily by phone or email for the purpose of providing general investment education to participants of the Plan. The education will be given based on information about the participant given voluntarily by the participant to the Representative about (a) the participant’s goals, (b) the participant’s investment time horizons, (c) the participant’s risk tolerance and experience with investments, (d) the participant’s resources, and (e) the market and investment opinions of Compass and the client’s Representative. Participants are required to make the final investment

decisions regarding the choice of investment, amount of investment and timing of investment that fits their goals.

All advice provided by Compass and its Representatives is based upon the reliability of the data provided to Compass by the Plan and the Plan participants.

Either the client or Compass may at any time request an audit of the Plan by an independent certified public accountant, the fee for such audit will be paid by the party making the audit request.

Item 5 - Fees and Compensation

Fees paid to Compass are for Compass advisory services only. The fees do not include, for example, the fees charged by third parties such as third-party managers, or accountants and attorneys assisting with providing the client with accounting and legal advice. Commissions on transactions and other account fees will also be charged by brokerage firms in accordance with the account's brokerage firm's normal commission schedule. See Item 12, Brokerage Practices. Customary commissions on insurance are also not included.

Prospective clients should be aware that in addition to Compass's advisory fees, each mutual fund in which a client's assets are invested also pays its own advisory fees and other internal expenses which already have been deducted from the fund's reported performance. Depending on the fund, a client may be able to invest directly in the shares issued by the fund with or without incurring any sales or third-party management fees. Account maintenance fees are also deducted by the custodian.

In addition, there are tax effects pertaining to fund share redemptions, and other sales, made by Compass on behalf of clients. Redemptions and sales are taxable events which may accelerate the recognition of capital gains, and losses, and frequent redemptions and sales may result in short-term, rather than long-term, capital gains and losses.

Fundamental Planning Services Fee

Fees may be charged for Plan 1 services on a fixed project or on an hourly basis. The standard hourly rate is as follows:

Clerical	\$ 65
Paraplanner	\$ 100
Advisory Representative	\$ 150
Advisory Representative, CFP	\$ 250

These hourly rates may be negotiated, but they may not exceed \$250 per hour.

Fixed fees, or project fees, are determined by the Representative by estimating the complexity of the client's circumstances, the level of skill required to perform the service, and the amount of time that will be required in research, analysis and Plan preparation. The exact fee is disclosed to the client prior to contract signing.

One-half of the estimated fee is payable upon commencement of services with the balance due upon delivery of the written Plan. Payment arrangements are detailed in a formal client services agreement which is prepared for each client. The fee may be waived in whole or in part by the Representative if, in the course of implementing a Plan, the client purchases securities or insurance products that pay a commission to the Representative sufficient to compensate the Representative for his/her time and skill. Waiving the fee is at the sole discretion of Compass and its Representatives. Each client retains the right to terminate the engagement of Compass at any time, in writing and without prior notice, for any reason. Compass retains the right to terminate any engagement at any time, for any reason, by giving 30 days' written notice. UNDER NO CIRCUMSTANCES WILL COMPASS REQUIRE PREPAYMENT MORE THAN SIX MONTHS IN ADVANCE AND IN EXCESS OF \$500. Any unearned prepaid fee is returned to the client upon termination.

The fees described above may change based on special situations such as an expansion of a project, increase in the number of reviews, more specialized needs of the client, more complex planning, or more detailed reporting. If such a change is required, the client is given 30 days' prior written notice and agrees to such changes by signing a new Services Agreement or an amendment thereto.

Asset Allocation and Portfolio Supervision Services Fee

Fees payable for Asset Allocation and Portfolio Supervision program services will be calculated as a percentage of the total value of investments under management as set forth below. In addition to this advisory fee, there will be transactional, administrative, servicing fees and commissions.

<u>Market Value of Account</u>	<u>Annual Rate</u>
\$0 - \$500,000	2.00%
\$500,001 - \$1,000,000	1.50%
\$1,000,001 - \$3,000,000	1.00%
Over \$3,000,000	0.65%

In some cases, fees may be negotiated. All fees are specified in each client's services agreement.

Advisory fees are payable monthly, in advance and are calculated on the basis of the market value of the investments in the account including any balances held in money market funds. The fee for the initial partial month is **waived** entirely. Subsequent fees are charged in advance starting with the first complete month and are based on the market value of the account as of the last day of the most recently completed month. Upon termination of the account, any prepaid advisory fees will **not be refunded**.

Clients should also be aware that certain management service programs require payments for services on a quarterly basis, on the same basis as specified above for monthly fees, except that all fees for partial quarters are prorated.

Fees payable to Compass are deducted from the client's account when due. Compass will liquidate money market shares to pay the fee and, if money market shares or cash value are not available, other investments will be liquidated. Authorization for the automatic deduction of fees from the account is contained in the Services agreement. The invoice sent to the custodian

shows the amount of the fee, the value of the assets on which the fee is based, and the specific manner in which the fee was calculated. The client's periodic portfolio statements from the custodian disclose all amounts disbursed from the account, including advisory and service fees paid. The client may terminate the authorization for automatic deduction of advisory fees payable to Compass at any time by notifying Compass in writing. Compass has the right to modify the fee schedule upon 30 days advance notice to the client.

Any client services agreement may be terminated by a client without penalty upon delivery of written notice to Compass within five business days after the date of the client's execution of the Client Services Agreement.

Independent Third-Party Manager Services Fee

In return for providing Independent Third-Party services, Compass usually receives a percentage of the asset-based fee charged by the independent third party adviser. Fees are negotiable and typically range from .65% to 2.50%, depending upon size and type of portfolio, in accordance with the fee schedule set forth below. However, depending upon the terms of the contract, Compass may collect the manager's fee as a portion of the total fee Compass charges to a client.

Value of Assets	Annual Fee
\$0 - \$500,000	2.50%
\$500,001-\$1,000,000	2.00%
\$1,000,001-\$3,000,000	1.50%
\$3,000,001-\$10,000,000	1.00%
Over \$10,000,000	0.65%

Fees are payable monthly, or quarterly, in advance as specified in the services agreement.

The terms of the agreements used by third-party management service providers vary from firm to firm with respect to service level, fees, termination provisions and custodial arrangements. Before entering into any service contract with a third party investment adviser, clients are encouraged to carefully review that firm's Form ADV, Part II, and compare the service levels and fees to other available service providers.

In some cases, when a client uses the services of an independent investment manager, that manager may choose to implement securities transactions through Fintegra, resulting in commissions to Fintegra. A portion of those commissions may be returned to the Compass Representative registered as securities representatives for Fintegra. Thus, when recommending certain programs, Compass' Representatives have a conflict of interest since they know they will be receiving commissions as a result of the recommended manager's transactions.

Retirement Plan Advisory Services Fee

In return for providing Retirement Plan services, Compass will charge an annual fee based on a percentage of the value of Plan assets as set forth below.

The fee is negotiable but will generally conform to the following schedule:

<u>Asset Levels</u>	<u>Annual Fee</u>
\$ 0 to \$ 500,000	1.00%
\$ 500,000 to \$ 1,000,000	0.90%
\$ 1,000,000 to \$ 1,500,000	0.80%
\$ 1,500,000 to \$ 2,000,000	0.70%
\$ 2,000,000 to \$ 2,500,000	0.60%
\$ 2,500,000 to \$ 3,000,000	0.50%
\$ 3,000,000 to \$ 4,000,000	0.40%
\$ 4,000,000 to \$ 5,000,000	0.30%
\$ 5,000,000 to \$ 10,000,000	0.20%
\$ 10,000,000 to \$100,000,000	0.10%
\$100,000,000 to \$500,000,000	0.05%

An additional fee based on the percentage of assets of the Plan is charged to participant assets in any of the Compass managed model portfolios.

The fee is payable in arrears on a monthly or quarterly basis, as determined in advance between Compass and the client, and is based on the average value of the Plan assets for each month. (In some instances the fee may be based upon month-end values.) The fee will be assessed and deducted from participant accounts. A sale of holdings in the participant accounts to provide the fee will be made on a prorated basis of the approximate value of the various investments in the account.

The client or Compass may terminate the services agreement upon thirty (30) days' advance written notice to the other. Termination will not affect the liabilities or obligation of the client for work already completed. The fee will be pro-rated based on the number of days left in the billing period.

Other Compensation

Compass Representatives are also licensed to offer securities and insurance products. Compass Representatives will receive customary commissions for the sale of such products should a client decide to make purchases through a Compass Representative. Clients are free to purchase such products other than through a Compass Representative. This compensation creates a conflict of interest. All prospective and existing clients are hereby advised that this conflict exists. A Compass Representative may recommend either no-load or load mutual funds for a client's account. In all cases, the investments must be suitable. Advisory fees are not reduced by the amount of sales compensation a Representative receives, but Representatives may consider commissions as a factor when determining asset-based fees.

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

Compass does not charge any performance-based fees. All fees are disclosed above.

Item 7 - Types of Clients/Minimum Account Size

Compass makes its advisory services available to a wide variety of clients including, but not limited to, individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities.

Although Compass does not generally have any conditions for providing its services, Compass Representatives may negotiate a base fee for all services.

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

Compass's security analysis methods include, but are not limited to, 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 securities analysis methods and strategies, even those used by Compass may involve a high degree of risk and losses can occur.

Compass's main sources of information include, but are not limited to, financial newspapers and magazines, research materials prepared by others, corporate rating services, annual reports, prospectuses, public filings and company press releases.

Compass does not guarantee the results of the advice given. Thus, significant losses can occur by investing in any security, or by following any strategy, including those recommended or applied by Compass.

Compass may recommend traditional exchange-traded funds ("ETF"). ETF shares are bought and sold at market price unlike mutual funds. ETFs are subject to risks similar to those of stocks.

Item 9 - Disciplinary Information

Compass does not have any disciplinary information to report regarding itself or any of its counselors or other related persons.

Item 10 - Other Financial Industry Activities and Affiliations

Most persons associated with Compass, including its Representatives, may be registered as securities representatives of Fintegra, LLC ("Fintegra"), a licensed, full-service securities broker/dealer and investment adviser. Fintegra is a member of the Financial Industry Regulatory Authority ("FINRA"). Securities transactions for Fintegra's brokerage customers are executed and cleared through Pershing, LLC, an unaffiliated securities broker/dealer specializing in processing transactions for other "introducing" firms. Pershing also provides Fintegra customers with transaction confirmations and account statements.

Representatives of Compass may also own limited liability interests in Fintegra Holdings, LLC, the parent company of Fintegra, LLC. This ownership creates a conflict because the Representatives indirectly benefit from products and services sold through Fintegra since, as indirect owners of Fintegra, they share in profit distributions.

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

When Compass Representatives make recommendations for the purchase of securities, variable insurance contracts and other investments, the transactions may be processed by Fintegra and the Representatives are entitled to receive customary commissions. Representatives may also be insurance sales persons for certain insurance companies directly. The receipt of commissions in return for investment and insurance product purchases creates a conflict of interest for Representatives when they recommend such products to clients.

Representatives of Compass may buy or sell securities for themselves that they also recommend to clients. Where a transaction for a Representative, or an account related to the Representative, is contemplated, a client's transaction is given priority. Compass has developed a Code of Ethics applicable to all persons who have access to confidential client records or to recommendations being made for client accounts. Designed to prevent conflicts of interest between the financial interests of clients and the interests of the firm's staff, the Code requires such "access persons: to obtain preapproval of certain securities transactions, to report transactions quarterly and to report all securities positions in which they have a beneficial interest at least annually. These reporting requirements allow supervisors at the firm to determine whether to allow or prohibit certain employee securities purchases and sales based on transactions made, or anticipated to be made, in the same securities for clients' accounts. The Code also establishes certain bookkeeping requirements relating to federal reporting rules. The Code is required to be reviewed annually and updated as necessary. A complete copy of the firm's Code is available upon request.

Item 12 - Brokerage Practices

Although it generally does not exercise discretion to select brokerage firms, Compass Representatives typically recommend the transaction and/or custodial services of Fintegra, LLC ("Fintegra"), or Pershing, LLC ("Pershing") (collectively "Service Providers").

Clients should be aware that there is no direct link between Compass and the Service Providers in connection with the advice Compass gives to clients. Compass receives economic benefits through the custody and operating relationships it has with the Service Providers that are typically not available to the Service Providers' retail investors. These benefits include the following products and services (provided without cost or at a discount): duplicate client statements and confirmations; research-related products and tools; consulting services; access to a trading desk serving advisory representative participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees; and discounts or no fees on a compliance, marketing, research, technology, and practice management products or services provided to Compass by third-party vendors. The Service Providers may also pay for business consulting and professional services received by Compass's affiliated persons and may also pay or reimburse expenses (including travel, lodging, meals, and entertainment expenses) for Compass's personnel to attend conferences or meetings relating to their service platforms or to their adviser custody and brokerage services generally. Some of these products and services

made available by the Service Providers may benefit Compass, but may not benefit its client accounts. Such other services made available by the Service Providers are intended to help Compass manage and further develop its business enterprise, and such services do not depend on the amount of brokerage transactions directed to them.

Clients should be aware that the receipt of the economic benefits described above by Compass from the Service Providers, in and of itself, creates a potential conflict of interest and may indirectly influence Compass' recommendation of those Service Providers for custody and brokerage services."

Compass and its Representatives may be eligible for incentive awards from product sponsors, including Fintegra, which may affect product recommendations. Also, when certain mutual funds are included in client portfolios, Representatives giving advice may receive continuing, asset-based 12b-1 fees paid by the mutual funds through Fintegra. These fees are paid based on the value of the funds held in a portfolio. Thus, the Representatives have an incentive to recommend holding such positions since selling them will result in lower compensation to the Representatives

Other than the services described above, Compass and its Representatives do not direct transactions and the commissions they generate (soft dollars) to brokerage firms or other parties to receive research or other benefits.

Compass does not process transactions through Service Providers in return for Service Providers referring new clients to Compass.

Compass may combine similar client orders into one aggregate order for the purpose of obtaining an average price for all customers participating in the order.

Item 13 - Review of Accounts and Reports

For clients receiving Fundamental Planning Services, a written financial plan is prepared in the scope requested by a client, in the initial client interview and subsequent counseling sessions. Reviews of Fundamental Planning services accounts are performed by the Representative at the times the Representative deems appropriate, and by one or more supervisors at the firm, to insure the planning advice given is suited to establishing a path to achieve the client's goals.

Clients receiving Asset Allocation and Portfolio Supervision Services, receive reports at least quarterly from the account custodian and, more frequently, as determined in advance between the client and the client's Representative. The client's Portfolio is regularly reviewed by the Compass Representative in the frequency determined by the Representative and also reviewed by one or more supervisors at Compass to ensure the investments in the account are in line with the client's stated investment objectives.

Those clients receiving Independent Investment Manager Services receive reports from the client account custodian at least once per quarter, or more frequently as determined between the client's Representative and/or the Third-party Managers of the account. Reviews of the account are performed in the frequency determined by the Compass Representative and/or the Representative and client. Supervisory reviews are also performed by supervisors at Compass to ensure the strategies being employed by the Third-party Managers are consistent with the investment

objectives of the client. Recommendations to change managers are made by the Representative or supervisor at the times they deem appropriate.

Those clients receiving Retirement Plan Advisory Services receive reports in the scope and frequency as determined between the Compass Representative and, most often, the Plan sponsor receiving the services. Such reports may include identity of specific money managers deemed appropriate for the Plan, the performance of Plan investments, recommendations regarding investments available to Plan participants, and summary reports to Plan participants. Reviews of Plan investments occur as frequently as determined between the client and Compass. Reviews are also performed by supervisors at Compass periodically to insure the advice given to clients is consistent with the clients' investment objectives.

Item 14 - Client Referrals and Other Compensation

Compass does not currently have any client referral relationships. Thus, it does not pay any fee to a third party for making client referrals to it. Also, as indicated above, the firm does not direct brokerage transactions to any third party, including Service Providers, in return for client referrals.

Item 15 - Custody

Compass does not take custody of client funds or securities. These safekeeping services are typically provided to managed accounts only by the brokerage firm processing the securities transactions ordered by Compass.

To the extent a client receives any account or other investment ownership statement from Compass recommends the client carefully compare the information in the report to that in the custodian's statements.

Item 16 - Investment Discretion

When providing investment management services, Compass Representatives may exercise discretion when granted such authority by a client. When Compass has such authority, Representatives may select the kind of securities to buy and sell, the amount to buy and sell and, often, the commission rates paid without obtaining specific consent from the client for each trade. Clients should be aware that Representatives may make different recommendations with respect to the same types of securities or insurance products to different advisory clients. Commissions and executions for transactions implemented through Fintegra and Pershing may not be better than commissions or executions available if the client used another brokerage firm. However, Compass believes that the overall level of services and support provided to clients by Fintegra and Pershing outweighs the potentially lower costs, which may be available from other brokerage arrangements.

When exercising discretion, Compass may combine orders for more than one client's account to form a "block" order for the purpose of seeking a better price and execution. When a block order is executed, the broker/dealer executing the order typically allocates an average execution price to all shares in the block order, which Compass then allocates to each customer's position within

the block on a pro rata basis. Should a block order only be partially filled, available shares are distributed in a manner fair to all accounts.

If a client directs Compass to effect transactions through a particular broker/dealer, including Fintegra and/or Pershing, Compass will do so. However, such an instruction may have implications to the client. The instruction may cause the client's account to incur transaction costs and commissions that may be higher/lower than if the instruction had not been given. Also, such a restriction may limit Compass' ability to bunch the client's order with those of other clients to process a block order through a single broker/dealer to obtain best price and/or execution. In addition, if Compass is effecting transactions in a security for clients by means of a block order, as well as an order in the same security, for a client who has directed Compass to use a particular broker/dealer, Compass will effect the block order immediately prior to effecting the directed brokerage trade. Thus, clients directing Compass to use a particular broker may not receive the same average price for securities bought or sold that would be received if the order was part of a block order.

Depending upon the services agreement, third-party managers used to manage client accounts may be hired or terminated by Compass, as it deems appropriate. Such managers also have authority to purchase and sell securities at their discretion.

Item 17 - Voting Client Securities

Compass and its Representatives do not vote proxies on behalf of clients who will receive such notices from their account's custodian.

Compass also does not take any action on legal notices it or a client may receive from issuers of securities held in a client's managed account. However, it is available to answer questions regarding such notices.

Item 18 - Financial Information

Compass does not require or solicit fees of more than \$1,200 six months or more in advance, thus no financial statement for Compass is attached. Compass does not have any financial condition that is reasonably likely to impair its ability to meet its contracted commitment to any client.

Privacy Policy

Preserving trust is a core value. Compass Financial Advisors, LLC (“Compass”) recognizes that clients expect us to protect the information they provide us and to use it responsibly. We are strongly committed to fulfilling the trust that is the foundation of our clients’ expectations. For that reason we have adopted and adhere to the following policy regarding the privacy of client information.

Why We Collect And How We Use Information.

When we evaluate your request for our services, provide investment advice to you and place transactions for your account, you typically provide us with certain personal information necessary for us to provide these services. We may also use that information to offer you other services we or an affiliate may provide which may meet your investment needs.

What Information We Collect.

The information we collect may include: name and address; employer; Social Security number or tax payer identification number; assets; income; account transactions; investment and other financial product positions and balances; investment objectives; accounts at other institutions; transactions at other institutions, including affiliates; the identities of accountants, attorneys and other professionals you engage. Information we receive from third parties, including credit bureaus; and information we obtain to verify your representations to us, such as your identity and assets.

We Limit How, and With Whom We Share Your Information

We do not sell your personal information to anyone. We may disclose information about you with your consent to our employees, affiliates, representatives and their affiliated businesses. We may disclose information to nonaffiliated third parties when providing services to you.

Nonaffiliated third parties may include retirement plan sponsors or third party administrators, mutual fund companies, insurance companies and agencies, third party advisory firms, banks, broker-dealers, transaction clearing firms, accountants, lawyers, securities professionals, companies that assist us with the maintenance of required records, and others to assist us, or them, in providing services to you.

We may also share information with companies that perform services on our behalf, such as the companies that we hire to perform marketing or administrative services. Companies we may hire to provide support services are not allowed to use your personal information for their own purposes. We may also make additional disclosures as permitted by law.

We will also share the information we received from you as required by laws and rules applicable to you, client account service providers, Compass or Compass’s representatives.

If you close your account, in the process of transferring your accounts we may share your information with the new broker/dealer, investment adviser or custodian that you or your Compass representative selects. Your Compass representative may use the personal information about you in his or her files to provide you with information regarding the new firm, account transfer procedures and documents.

If you prefer that we not share your nonpublic personal information (except in those circumstances described above that are permitted or required by law), you may opt out at any time by notifying us not to share information. To notify us, please call us at 219/476-7100. You will be asked to provide identifying client information at that time, including your Social Security Number.

For accounts that are held jointly by more than one client, any of the account holders may opt out on behalf of the other account holders. Any opt out instructions received from one owner of a joint account will apply also to individual accounts in that person's name, as well as other accounts held jointly by that person, based on the account information we have.

How We Protect Information.

Employees and our advisory representatives are required to comply with our established information confidentiality procedures. We also maintain physical, electronic, and procedural safeguards to protect information. For example, our computer systems utilize password protection to prevent access by unauthorized personnel. Compass ensures service providers provide assurances that they will restrict their use of the information provided about you.

Access To and Correction of Your Information.

Upon your written request, we will make available your information for review. Information collected in connection with, or in anticipation of, any claim or legal proceeding will not be made available. If your personal information with us becomes inaccurate, or if you need to make a change to that information, please contact us at the number shown below so we can update our records. Also, if you believe someone has accessed your account without authorization, please contact us as soon as possible.

Further Information.

For additional information regarding our privacy policy, or if you have any questions and/or concerns about your account or about our services, please contact us by writing to us at 9933 Dupont Circle Dr West, Suite 100, Fort Wayne, IN 46825.