

**Item 1: Cover Page for Part 2A Appendix 1 of Form ADV:
Wrap Fee Program Brochure
December 2015**



Financial Advisors Network

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This wrap fee program brochure provides information about the qualifications and business practices of Financial Advisors Network. If you have any questions about the contents of this brochure, please contact us by telephone at 866-526-7726 or email at devon@fanwmg.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 Financial Advisors Network is also available on the SEC's website at www.adviserinfo.sec.gov.

Please note use of the term "registered investment adviser" and description of Financial Advisors Network and/or our associates as "registered" does not imply a certain level of skill or training. You are encouraged to review this Brochure and Brochure Supplements for our firm's associates who advise you for more information on the qualifications of our firm and its employees.

Item 2: Material Changes to Part 2A Appendix 1 (Wrap Fee Program Brochure) of Our Form ADV

Financial Advisors Network is required to advise you of any material changes to our Wrap Fee Program Brochure (“Wrap Brochure”) from our last annual update, identify those changes on the cover page of our Wrap Brochure or on the page immediately following the cover page, or in a separate communication accompanying our Wrap Brochure. We must state clearly that we are discussing only material changes since the last annual update of our Wrap Brochure, and we must provide the date of the last annual update of our Wrap Brochure.

Please note we do not have to provide this information to a client or prospective client who has not received a previous version of our Wrap Brochure.

Since our last annual amendment filing on 02/11/2014, we have the following material changes to disclose:

- 1) We now offer wrap programs for accounts custodied at Charles Schwab as well as LPL Financial.
- 2) Our fee schedule for our Wrap Comprehensive Portfolio Management service has changed. Please see Item 4A(ii) for more information.
- 3) For clients who custody assets through Charles Schwab, we may execute fixed income transactions through another broker/dealer. This arrangement is further described in Item 4 and Item 9.

Item 3: Table of Contents

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Item 4: Services, Fees & Compensation

- A. Description of our services, including the types of portfolio management services, provided under each program. We must indicate the wrap fee charged for each program, or, if fees vary according to a schedule, provide such schedule. Further, we are required to indicate whether fees are negotiable and identify the portion of the total fee, or range of fees, paid to portfolio managers.

We offer wrap fee programs as described in this Wrap Fee Program Brochure. Our wrap fee accounts are managed on an individualized basis according to the client's investment objectives, financial goals, risk tolerance, etc.

(i) Asset Management Wrap Fee Program:

We emphasize continuous and regular account supervision. As part of our asset management service, we generally create a portfolio, consisting of individual stocks or bonds, exchange traded funds ("ETFs"), options, mutual funds and other public and private securities or investments. The client's individual investment strategy is tailored to their specific needs and may include some or all of the previously mentioned securities. Each portfolio will be initially designed to meet a particular investment goal, which we determine to be suitable to the client's circumstances. Once the appropriate portfolio has been determined, we review the portfolio on a regular basis and at least an annual basis and if necessary, rebalance the portfolio based upon the client's individual needs, stated goals, and objectives. Each client has the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio.

Asset Management Wrap Fee Program Fee Schedule:

Assets Under Management

Annual Percentage of Assets Charge:

Any Assets

Up to 2.25 %

Our firm's fees, which are generally negotiable, are billed on a pro-rata annualized basis quarterly in advance based on the value of your account on the last day of the previous quarter.

Fees will generally be automatically deducted from your managed account*. As part of this process, you understand and acknowledge the following:

- a) Your independent custodian sends statements at least quarterly to you showing the market values for each security included in the Assets and all disbursements in your account including the amount of the advisory fees paid to us;
- b) You provide authorization permitting us to be directly paid by these terms. We send our invoice directly to the custodian; and
- c) If we send a copy of our invoice to you, it will include a legend urging you to compare information provided in our statement with those from the qualified custodian.

*In rare cases, we will agree to directly bill clients.

(ii) Comprehensive Portfolio Management Wrap Fee Program:

Our comprehensive portfolio management service encompasses asset management as well as providing financial planning/financial consulting to clients. It is designed to assist clients in meeting their financial goals through the use of financial investments. We conduct at least one, but sometimes more than one meeting (in person if possible, otherwise via telephone conference) with clients in order to understand their current financial situation, existing resources, financial goals, and tolerance for risk. Based on what we learn, we propose an investment approach to the client. We may propose an investment portfolio, consisting of exchange traded funds, mutual funds, individual stocks or bonds, or other securities. Upon the client's agreement to the proposed investment plan, we work with the client to establish or transfer investment accounts so that we can manage the client's portfolio. Once the relevant accounts are under our management, we review such accounts on a regular basis and at least annually. We may periodically rebalance or adjust client accounts under our management. If the client experiences any significant changes to his/her financial or personal circumstances, the client must notify us so that we can consider such information in managing the client's investments.

Comprehensive Portfolio Management Wrap Fee Program Fee Schedule:

Assets Under Management

Annual Percentage Of Assets Charge:

Any Assets

Up to 2.50%

Our firm's fees, which are generally negotiable, are billed on a pro-rata annualized basis quarterly in advance based on the value of your account on the last day of the previous quarter.

Fees will generally be automatically deducted from your managed account*. As part of this process, you understand and acknowledge the following:

- a) Your independent custodian sends statements at least quarterly to you showing the market values for each security included in the Assets and all disbursements in your account including the amount of the advisory fees paid to us;
- b) You provide authorization permitting us to be directly paid by these terms. We send our invoice directly to the custodian; and
- c) If we send a copy of our invoice to you, it will include a legend urging you to compare information provided in our statement with those from the qualified custodian.

*In rare cases, we will agree to directly bill clients.

(iii) Potential Tax Planning & Tax Preparation Benefits:

For our clients with a wrap program account and who have engaged (or plan to engage) our affiliated firm Kamps & Associates Accounting Services, LLC for tax planning and preparation services, our parent company Kamps, Inc. may pay for a portion of the client's tax planning fees and tax preparation fees. This service is provided as a courtesy, and may be altered or discontinued at our discretion.

Applies only to clients of Kamps & Associates Accounting Services, LLC:

Asset Under Management	Amount Paid By Us Toward Tax Planning	Amount Paid By Us Toward Tax Preparation
\$500,000 – \$1,000,000	\$100	\$350
\$1,000,000 – \$2,000,000	\$150	\$500
\$2,000,000 – \$4,000,000	\$200	\$1,000

We may pay for a portion of the client's tax planning fees and tax preparation fees to the extent such services are obtained through and pursuant to the regular fee schedule of Kamps & Associates Accounting Services, LLC. Kamps & Associates Accounting Services, LLC is affiliated with our firm through common ownership. Please see Item 9 of this Brochure for more information regarding the potential conflicts of interest this presents for our clients.

- B. Explanation that a wrap fee program may cost you more or less than purchasing such services separately and description of the factors that bear upon the relative cost of the program, such as the cost of the services if provided separately and the trading activity in your account(s).

A wrap fee program allows our clients to pay a specified fee for investment advisory services and the execution of transactions. The advisory services may include portfolio management and/or advice concerning selection of other advisers, and the fee is not based directly upon transactions in your account. Your fee is bundled with our costs for executing transactions in your account(s). This results in a higher advisory fee to you. We do not charge our clients higher advisory fees based on their trading activity, but you should be aware that we may have an incentive to limit our trading activities in your account(s). By participating in a wrap fee program, you may end up paying more or less than you would through a non-wrap fee program where a lower advisory fee is charged, but trade execution costs are passed directly through to you by the executing broker.

- C. Description of any fees that you may pay in addition to a wrap fee, and description of the circumstances under which you may pay these fees, including, if applicable, mutual fund expenses and mark-ups, mark-downs, or spreads paid to market makers.

You may pay custodial fees, charges imposed directly by a mutual fund, index fund, or exchange traded fund which shall be disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses), mark-ups and mark-downs, spreads paid to market makers, wire transfer fees and other fees and taxes on brokerage accounts and securities transactions. These fees are not included within the wrap-fee you are charged by our firm.

For clients that use Charles Schwab & Co. as a custodian, to the extent a fixed income transaction is executed through a broker/dealer other than Schwab as described in Item 9 Additional Information – Brokerage Practices, the executing broker/dealer may charge a commission, markup/markdown, or other fee for the transaction. Any such charges will be reflected in the price of the security, and we do not receive any portion of these charges.

- D. If someone recommending a wrap fee program to you, receives compensation as a result of your participation in the program, we must disclose this fact. Further, we are required to explain, if applicable, that the amount of the compensation may be more than what the person would

receive if you participated in our other wrap fee program or paid separately for investment advice, brokerage and other services. Finally, we must explain that someone recommending a wrap fee program may have a financial incentive to recommend the wrap fee program over other programs or services.

Our investment advisory representatives receive a portion of the advisory fee that you pay us, either directly as a percentage of your overall fee or as their salary from our firm. In cases where our investment advisory representatives are paid a percentage of your overall advisory fee, this may create an incentive to recommend that you participate in a wrap fee program rather than a non-wrap fee program (where you would pay for trade execution costs) or brokerage account where commissions are charged. This is because, in some cases, we may stand to earn more compensation from advisory fees paid to us through a wrap fee program arrangement if your account is not actively traded.

Item 5: Account Requirements & Types of Clients

We impose the following requirement(s) to open or maintain a wrap account:

- We require a minimum account balance of \$250,000. The minimum account balance may be negotiable in certain circumstances.

Types of clients we typically manage wrap fee accounts on behalf of, include:

- Individuals and High Net-Worth Individuals;
- Trusts, Estates or Charitable Organizations;
- Pension and Profit Sharing Plans.

Item 6: Portfolio Manager Selection & Evaluation

- A. Description of how our firm selects and reviews portfolio managers, our basis for recommending or selecting portfolio managers for particular clients, and our criteria for replacing or recommending the replacement of portfolio managers for the program and for particular clients.

Our firm does not utilize outside portfolio managers. All accounts are managed by our in-house professionals.

- B. Disclosure of whether our firm or any related persons act as a portfolio manager for a wrap fee program described in the wrap fee program brochure. We must explain the conflicts of interest that we face because of this arrangement and describe how we address these conflicts of interest. Further, we must disclose whether related person portfolio managers are subject to the same selection and review as the other portfolio managers that participate in the wrap fee program. If they are not, we must describe how we select and review related person portfolio managers.

Our firm and its related persons act as portfolio manager(s) for the wrap fee program(s) previously described in this Wrap Fee Program Brochure. This may create a conflict of interest in that other investment advisory firms may charge the same or lower fees than our firm for similar services. Our related person portfolio managers are not subject to the same selection and review as outside portfolio managers. This is because we have chosen not to utilize outside portfolio managers.

- C. If our firm, or any of our supervised persons covered under or investment adviser registration, act as a portfolio manager for a wrap fee program described in the wrap fee program brochure, we must respond to Items 4.B, 4.C, 4.D (Advisory Business), 6 (Performance-Based Fees and Side-By-Side Management), 8.A (Methods of Analysis, Investment Strategies and Risk of Loss) and 17 (Voting Client Securities) of Part 2A of Form ADV (Firm Brochure).

Our firm and supervised persons act as portfolio manager(s) for the wrap fee program(s).

(1) Advisory Business:

See Item 4 of this Wrap Fee Program Brochure for information about our wrap fee advisory programs.

(2) Individual Tailoring of Advice to Clients:

We offer individualized investment advice to clients utilizing the services described in Item 4 of this Wrap Fee Program Brochure.

(3) Ability of Clients to Impose Restrictions on Investing in Certain Securities or Types of Securities:

Each client has the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio. Restrictions on investments in certain securities or types of securities may not be possible due to the level of difficulty this would entail in managing the account. Restrictions would be limited to the services described in Item 4 of this Wrap Fee Program Brochure.

(4) Participation in Wrap Fee Programs:

Our wrap fee and non-wrap fee accounts are managed on an individualized basis according to the client's investment objectives, financial goals, risk tolerance, etc. We do not manage wrap fee accounts in a different fashion than non-wrap fee accounts.

(5) Performance-Based Fees & Side-By-Side Management:

We do not charge performance fees to our clients.

(6) Methods of Analysis, Investment Strategies & Risk of Loss:

Methods of Analysis:

- Fundamental;
- Technical;
- Cyclical.

Our firm will utilize several disciplines of analysis. We will use technical analysis, which is the forecasting of prices through the study of past market data, as well as fundamental analysis which examines earnings, economic developments, industry competition dynamics, and the like. Technical analysis is frequently contrasted with fundamental analysis and each have limitations because of assumptions about the market. We enlist a more rational approach by utilizing both types of analyses. We unify our analyses under a quantitative framework, which

includes the analysis of investment volatility and correlations, and is used for portfolio construction, risk management, and allocation decision making.

Investment Strategies We Use:

- Core
- Value
- Momentum
- Income
- Real Return

The Core strategy is an index fund based strategy with minimal tracking error to our internal benchmark.

The Value strategy is a bottom-up fundamental strategy that seeks to capture the value anomaly in markets.

The Momentum strategy is a top-down technical strategy that seeks to capture the momentum anomaly in markets.

The Income strategy is a risk-managed portfolio designed to produce higher level of income.

The Real Return strategy is a risk-managed portfolio designed to counter rising rates and inflationary pressures.

Please Note: Investing in securities involves risk of loss that clients should be prepared to bear. While the stock market may increase and your account(s) could enjoy a gain, it is also possible that the stock market may decrease and your account(s) could suffer a loss. It is important that you understand the risks associated with investing in the stock market, are appropriately diversified in your investments, and ask us any questions you may have.

(7) Voting Client Securities:

We do not and will not accept the proxy authority to vote client securities. Clients will receive proxies or other solicitations directly from their custodian or a transfer agent. In the event that proxies are sent to our firm, we will forward them on to you and ask the party who sent them to mail them directly to you in the future. Clients may call, write or email us to discuss questions they may have about particular proxy votes or other solicitations.

Item 7: Client Information Provided to Portfolio Manager(s)

We are required to describe the information about you that we communicate to your portfolio manager(s), and how often or under what circumstances we provide updated information. Our firm communicates with your portfolio manager(s) on a regular basis as needed (daily, weekly, monthly, etc) to ensure your most current investment goals and objectives are understood by your portfolio manager(s). In most cases, we will communicate such information as part of our regular investment management duties. Nevertheless, we will also communicate information to your portfolio manager(s) when you ask us to, when market or economic conditions make it prudent to do so, etc.

Item 8: Client Contact with Portfolio Manager(s)

Clients are always free to directly contact their portfolio manager(s) with any questions or concerns they have about their portfolios or other matters.

Item 9: Additional Information

A. We are required to respond to: 1. Item 9 (Disciplinary Information); and 2. Item 10 (Other Financial Industry Activities and Affiliations) of Part 2A of Form ADV.

1. We have determined that our firm and management have no disciplinary information to disclose.
2. We have the following financial industry activities and affiliations to disclose:

- a. Some of our advisory affiliates are registered representative of LPL Financial Corporation, member FINRA/SIPC. They may offer securities and receive normal and customary commissions as a result of securities transactions. This presents a conflict of interest to the extent that the advisory affiliate recommends that a client invest in a security which results in a commission being paid to the advisory affiliate. Due to our registrations, LPL Financial, LLC is required under FINRA Rule 3040 to review personal securities transaction of our advisors by monitoring all client accounts managed by our firm.

A conflict of interest may arise as these commissionable securities sales may create an incentive to recommend products based on the compensation adviser and/or our supervised persons may earn and may not necessarily be in the best interests of the client. To minimize the conflict we have established a Code of Ethics described in Section 11 of the Firm Brochure.

- b. Certain of our firm's Advisory Affiliates, in their individual capacities, are also licensed insurance agents with various insurance companies, and in such capacity, may recommend, on a fully disclosed commission basis, the purchase of certain insurance products. While our firm does not sell such insurance products to our investment advisory clients, we permit our Advisory Affiliates, in their individual capacities as licensed insurance agents, to sell insurance products to our investment advisory clients. A conflict of interest exists to the extent that our firm recommends the purchase of insurance products where our firm's Advisory Affiliates receive insurance commissions or other additional compensation.
- c. From time to time Mr. Kamps will be involved in buying commercial real estate property. Mr. Kamps also has several rental properties from which he derives income. These activities account for approximately 2% of his time.
- d. The parent company of our firm, Kamps, Inc., is 50% owner of Kamps & Associates Accounting Services, LLC, a CPA accounting practice. Mr. Kamps, the owner of Kamps, Inc., spends approximately 5% of his time on this activity.

As stated previously, for our clients with wrap program accounts, our parent company Kamps, Inc. may pay for a portion of the client's tax planning fees and tax preparation fees up to certain specified levels to the extent such services are obtained through and pursuant to the regular fee schedule of Kamps & Associates Accounting Services, LLC. While this benefit is provided as a courtesy, and may be altered or discontinued at our discretion, it represents a conflict of interest in that our clients may be introduced to Kamps & Associates Accounting Services, LLC for tax services. As a result of this referral, Kamps & Associates Accounting Services, LLC may also refer clients to our firm. This cross marketing benefits our firm. In addition, Rod Kamps, as an owner of the accounting firm, may also benefit financially through receipt of profits of the accounting firm. These conflicts of interest are addressed by making clients aware of the conflicts through this disclosure. In addition, clients are advised that while they would not receive this benefit unless they engage Kamps & Associates Accounting Services, LLC for their tax planning or tax preparation needs, they are under no obligation to use this related firm.

- B. We are required to respond to: 1. Items 11 (Code of Ethics or Interest in Client Transactions and Personal Trading); 2. Item 13 (review of Accounts); 3. Item 14 (Client Referrals and Other Compensation); and 4. Item 18 (Financial Information) of Part 2A of Form ADV, as applicable to our wrap fee clients. We are also disclosing 5. Item 12 (Brokerage Practices) of Part 2A of Form ADV.

1. Code of Ethics, Participation or Interest in Client Transactions & Personal Trading.

We recognize that the personal investment transactions of members and employees of our firm demand the application of a high Code of Ethics and require that all such transactions be carried out in a way that does not endanger the interest of any client. At the same time, we believe that if investment goals are similar for clients and for members and employees of our firm, it is logical and even desirable that there be common ownership of some securities.

Therefore, in order to prevent conflicts of interest, we have in place a set of procedures with respect to transactions effected by our members, officers and employees for their personal accounts¹.

Furthermore, our firm has established a Code of Ethics which applies to all of our associated persons. An investment adviser is considered a fiduciary. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. We have a fiduciary duty to all clients. Our fiduciary duty is considered the core underlying principle for our Code of Ethics which also includes Insider Trading and Personal Securities Transactions Policies and Procedures. We require all of our supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment or affiliation and at least annually thereafter, all supervised persons will sign an acknowledgement that they have read, understand, and agree to comply with our Code of Ethics. Our firm and supervised persons must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is

¹ For purposes of the policy, our associate's personal account generally includes any account (a) in the name of our associate, his/her spouse, his/her minor children or other dependents residing in the same household, (b) for which our associate is a trustee or executor, or (c) which our associate controls, including our client accounts which our associate controls and/or a member of his/her household has a direct or indirect beneficial interest in.

provided to give all clients a summary of our Code of Ethics. However, if a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided promptly upon request.

- a) If our firm or a related person recommends to clients, or buys or sells for client accounts, securities in which our firm or a related person has a material financial interest (excluding an interest as a shareholder of an SEC-registered, open-end investment company), we must describe our practice and discuss the conflicts of interest it presents.

We have nothing to disclose in this regard.

- b) If our firm or a related person invests in the same securities (or related securities, e.g., warrants, options or futures) that our firm or a related person recommends to clients, we are required to describe our practice and discuss the conflicts of interest this presents and generally how we address the conflicts that arise in connection with personal trading.

Related persons of our firm may buy or sell securities and other investments that are also recommended to clients. In order to minimize this conflict of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics, a copy of which is available upon request.

- c) If our firm or a related person recommends securities to clients, or buys or sells securities for client accounts, at or about the same time that you or a related person buys or sells the same securities for our firm's (or the related person's own) account, we are required to describe our practice and discuss the conflicts of interest it presents. We are also required to describe generally how we address conflicts that arise.

Related persons of our firm may buy or sell securities for themselves at or about the same time they buy or sell the same securities for client accounts. In order to minimize this conflict of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics, a copy of which is available upon request. Further, our related persons will refrain from trading in their personal or related accounts ahead of our clients' accounts, therefore preventing such persons from benefits from transactions placed on behalf of clients. If related persons' accounts are included in a block trade, related persons will never receive a better price than our clients.

2. Review of Accounts.

- a) Review of client accounts, along with a description of the frequency and nature of our review, and the titles of our employees who conduct the review

We review accounts on at least an annual basis for our clients subscribing to the following services: Asset Management Wrap Fee Program and Comprehensive Portfolio Management Wrap Fee Program. The nature of these reviews is to learn whether clients' accounts are in line with their investment objectives, appropriately positioned based on market conditions, and investment policies, if applicable. Only our Financial Advisors will conduct reviews.

- b) Review of client accounts on other than a periodic basis, along with a description of the factors that trigger a review.

We may review client accounts more frequently than described above. Among the factors which may trigger an off-cycle review are major market or economic events, the client's life events, requests by the client, etc.

- c) Description of the content and indication of the frequency of written or verbal regular reports we provide to clients regarding their accounts.

We generally provide written reports to clients following a meeting which may take place on an annual or semi-annual basis. Verbal or written reports to clients take place on at least an annual basis when we contact clients who subscribe to the following services: Asset Management and Comprehensive Portfolio Management.

3. Client Referrals & Other Compensation.

- a) If someone who is not a client provides an economic benefit to our firm for providing investment advice or other advisory services to our clients, we must generally describe the arrangement. For purposes of this Item, economic benefits include any sales awards or other prizes.

We will occasionally co-sponsor educational seminars or client events with certain professionals (lawyers, CPAs, lenders, etc.) for which we might be reimbursed for expenses. These business relationships may create a potential conflict of interest as we may recommend the services of such professionals to our advisory clients. We do not receive compensation for client referrals.

LPL Financial:

We *may* receive from LPL or a mutual fund company, without cost and/or at a discount support services and/or products, to assist us to better monitor and service client accounts maintained at such institutions. Included within the support services we may receive investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by us to assist us in our investment advisory business operations.

Our clients do not pay more for investment transactions effected and/or assets maintained at LPL as result of this arrangement. There is no commitment made by us to LPL or any other institution as a result of the above arrangement.

Charles Schwab:

We receive an economic benefit from Schwab in the form of support products, services and portfolio management software it makes available to us and other independent investment advisors. These products and services assist us in managing and administering our client accounts. They include investment research, both Schwab's own and that of third parties. As such, our firm will utilize Schwab's OpenView Integrated Office portfolio management software, which may be used to provide services to some or all of our clients. Because of the costs associated with oversight of the accounts held at Schwab by LPL, there may be incentive

for our firm to recommend that client assets are custodied with LPL. In order to address this conflict of interest, client assets will be custodied with the institution that best fits the management needs of the client.

- b) If our firm or a related person directly or indirectly compensates any person who is not our employee for client referrals, we are required to describe the arrangement and the compensation.

We do not pay referral fees to independent solicitors for the referral of clients to our firm in accordance with Rule 206 (4)-3 of the Investment Advisers Act of 1940.

4. Financial Information.

- a) If we require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, we must include a balance sheet for our most recent fiscal year.

We do not require nor do we solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, therefore we have not included a balance sheet for our most recent fiscal year.

- b) If we are an SEC-registered adviser and have discretionary authority or custody of client funds or securities, or we require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, we must disclose any financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients.

We have nothing to disclose in this regard.

- c) If we have been the subject of a bankruptcy petition at any time during the past ten years, we must disclose this fact, the date the petition was first brought, and the current status.

We have nothing to disclose in this regard.

5. Brokerage Practices

A. How We Select or Recommend Broker/Custodians.

We seek to recommend a custodian/broker who will hold your assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others, these:

- Timeliness of execution
- Timeliness and accuracy of trade confirmations
- Research services provided
- Ability to provide investment ideas
- Execution facilitation services provided
- Record keeping services provided
- Custody services provided
- Frequency and correction of trading errors
- Ability to access a variety of market venues

- Expertise as it relates to specific securities
- Financial condition
- Business reputation
- Quality of services

With this in consideration, our firm recommends that clients establish custodial/brokerage accounts with LPL Financial LLC (“LPL”), Charles Schwab & Co. (“Schwab”) or SEI Private Trust Company (“SEI”). LPL, Schwab and SEI offer services to independent investment advisers which include custody of securities, trade execution, clearance and settlement of transactions. LPL is the broker-dealer and investment adviser with which our representatives are also associated as registered representatives. SEI generally serves as custodian for SEI Program clients.

While we recommend that you use LPL, Schwab or SEI as custodian/broker, you will decide which of them to use and open your account by entering into an account agreement with the custodian/broker-dealer of your choice.

If you use Schwab as custodian/broker, we may choose to execute certain fixed income security transactions through another qualified custodian and executing broker/dealer consistent with our duty to seek to achieve best execution. The executing broker/dealer may charge a commission, markup/markdown, or other fees for the transaction. Any such charges will be reflected in the price of the security, and we do not receive any portion of the charges.

1. Research & Other Soft Dollar Benefits.

LPL, Schwab and SEI may make certain research and brokerage services available at no additional cost to our firm, all of which qualify for the safe harbor exemption defined in Section 28(e) of the Securities Exchange Act of 1934. These services may be directly from independent research companies, as selected by our firm (within specific parameters). Research products and services provided by LPL, Schwab or SEI may include research reports on recommendations or other information about, particular companies or industries; economic surveys, data and analyses; financial publications; portfolio evaluation services; financial database software and services; computerized news and pricing services; quotation equipment for use in running software used in investment decision-making; and other products or services that provide lawful and appropriate assistance by LPL, Schwab or SEI to our firm in the performance of our investment decision-making responsibilities. The aforementioned research and brokerage services are used by our firm to manage accounts for which we have investment discretion. Without this arrangement, our firm might be compelled to purchase the same or similar services at our own expense.

We are required to specifically describe to our clients the types of products or services that we are acquiring and to permit them to evaluate possible conflicts of interest. Our description must be more detailed for products or services that do not qualify for the safe harbor in Section 28(e) of the Securities Exchange Act of 1934, such as those services that do not aid in investment decision-making or trade execution. Merely disclosing that we obtain various research reports and products is not specific enough. Our firm may receive other products and services that benefit us, but may not benefit our clients’ accounts. These benefits may include national, regional or investment adviser specific educational events. Other potential benefits may include occasional business entertainment of personnel of our firm, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Some of these

products and services assist our firm in managing and administering clients' accounts. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance, and marketing.

While, as a fiduciary, our firm endeavors to act in its clients' best interests, our recommendation/requirement that clients maintain their assets in accounts at LPL, Schwab or SEI may be based in part on the benefit to our firm of the availability of some of the foregoing products and services and other arrangements and not solely on the nature, cost, or quality of custody and brokerage services provided. This creates a potential conflict of interest since we may have an incentive to place client trades through broker-dealers that offer the aforementioned services and products. This interest conflicts with the clients' interest of obtaining the lowest commission rate (transaction/ticket charge) available.

Our firm must act in the best interest of the client in seeking the best price and execution for the client's securities transactions. We are not obliged to get the lowest possible commission as qualitative aspects are equally important. Research, execution capability, the commission rate charged, the broker-dealers financial responsibility, and responsiveness to the firm should also be considered. Higher commission rates are reasonable in order to obtain the products and services of a broker-dealer. Best execution may not be reached if a client directs brokerage and the client must forego any benefit that the firm's preferred broker-dealer offers. Under the RIA's compliance obligations, policies and procedures must be in place as a way to ensure that best execution is being reached on a consistent basis.

We will review our best execution responsibilities when directing brokerage to any broker-dealer (especially affiliated entities), determining commission discounts and disclosing the various conflicts of interest inherent in this direction. We will evaluate the quality and cost of services received from broker/dealers on a periodic and systematic basis. As part of the evaluations, our firm will consider the quality and cost of services available from alternative broker/dealers, market makers, and market centers.

We benefit from our relationships with LPL, Schwab and SEI. As discussed above, our advisory clients' brokerage transactions are executed through LPL, Schwab or SEI. Because our expenses would likely increase considerably without these relationships, they might be considered a "soft dollar" relationship. Under Section 28(e) of the Securities and Exchange Act of 1934, an investment adviser's use of client commission dollars to acquire research and brokerage products and services is not a breach of an investment adviser's fiduciary duty to clients – even if the brokerage commissions paid are higher than the lowest available as long as (among certain other requirements) the investment adviser determines that the commissions are reasonable compensation for both the brokerage services and the research acquired.

All soft dollar arrangements must be approved in writing by our Chief Compliance Officer and/or Rod Kamps. A record of all soft dollar arrangements will be maintained which contains sufficient details of the benefits received by our firm and clients along with any noted concerns about increased costs to our clients, should they exist, and how such concerns were alleviated. Our Chief Compliance Officer undertakes a review of parties which propose to pay our firm in soft dollars and analyzes a number of criteria. When deciding whether to approve or disapprove of a soft dollar relationship, the following criteria is reviewed: the broker-dealer's business reputation and financial position and our ability to consistently

execute orders professionally and on a cost effective basis, provide prompt and accurate execution reports, prepare timely and accurate confirms, deliver securities or cash proceeds promptly and provide meaningful research services that are useful to us in investment decision-making or other desired and appropriate services. When testing for best execution, our Chief Compliance Officer will also review all our soft dollar relationships for appropriateness, benefits to our clients, etc.

2. Brokerage for Client Referrals.

Our firm does not direct client transactions to a particular broker-dealer in return for client referrals.

3. Directed Brokerage.

While we may recommend certain broker-dealers to clients, neither we nor any of our firm's related person have discretionary authority in making the determination of the brokers with whom orders for the purchase or sale of securities are placed for execution, and the commission rates (transaction/ticket charges) at which such securities transactions are effected (see custodial fee structure).

We allow clients to direct brokerage. However, we may be unable to achieve the most favorable execution of client transactions. Client directed brokerage may cost clients more money. For example, in a directed brokerage account, you may pay higher brokerage commissions because we may not be able to aggregate orders to reduce transaction costs, or you may receive less favorable prices.

B. Trade Aggregation and Allocation.

We perform investment management services for various clients. There are occasions on which portfolio transactions may be executed as part of concurrent authorizations to purchase or sell the same security for numerous accounts served by our firm, which involve accounts with similar investment objectives. Although such concurrent authorizations potentially could be either advantageous or disadvantageous to any one or more particular accounts, they are affected only when we believe that to do so will be in the best interest of the effected accounts. When such concurrent authorizations occur, the objective is to allocate the executions in a manner which is deemed equitable to the accounts involved. In any given situation, we attempt to allocate trade executions in the most equitable manner possible, taking into consideration client objectives, current asset allocation and availability of funds using price averaging, proration and consistently non-arbitrary methods of allocation.