

DISCLOSURE BROCHURE
PREPARED IN COMPLIANCE WITH
THE INVESTMENT ADVISERS ACT OF 1940 RULE 204-3(A)

Association Financial Services, Inc.

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This brochure provides information about the qualifications and business practices of Association Financial Services, Inc.. Being registered as a registered investment adviser does not imply a certain level of skill or training. If you have any questions about the contents of this brochure, please contact us at 801-274-1820. 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 Association Financial Services, Inc. (CRD #142205) is available on the SEC's website at www.adviserinfo.sec.gov

MARCH 27, 2019

Item 2: Material Changes

Annual Update

The Material Changes section of this brochure will be updated annually or when material changes occur since the previous release of the Firm Brochure.

Material Changes since the Last Update

Since our firm's last annual amendment filed on February 2, 2018, the following changes have occurred:

- Our firm offers and sponsors a Wrap Fee Program in which our firm pays client transaction charges. As such, we have created a Wrap Fee Program Brochure to reflect this. Please note that all Asset Management clients are currently serviced under this arrangement. For more information please refer to Form ADV Part 2A, Appendix 1 (the "Wrap Fee Program Brochure").
 - We have updated this brochure to alter and/or remove language concerning asset management services as this language has been placed in the Wrap Fee Program Brochure.
 - We adjusted our requirements for opening and maintaining accounts or otherwise engaging us. We now generally require a minimum account balance of \$300,000 for clients engaging us for asset management services.
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Full Brochure Available

This Firm Brochure being delivered is the complete brochure for the Firm.

Item 3: Table of Contents

Form ADV – Part 2A – Firm Brochure

Item 1: Cover Page

Item 2: Material Changes ii

Annual Update..... ii

Material Changes since the Last Update ii

Full Brochure Available ii

Item 3: Table of Contents..... iii

Item 4: Advisory Business..... 1

Firm Description 1

Types of Advisory Services 1

Client Tailored Services and Client Imposed Restrictions 2

Wrap Fee Programs 2

Client Assets under Management 2

Item 5: Fees and Compensation 3

Method of Compensation and Fee Schedule..... 3

Client Payment of Fees..... 4

Additional Client Fees Charged 4

Prepayment of Client Fees..... 4

External Compensation for the Sale of Securities to Clients..... 4

Item 6: Performance-Based Fees and Side-by-Side Management..... 4

Sharing of Capital Gains..... 4

Item 7: Types of Clients..... 4

Description 4

Account Minimums 5

Item 8: Methods of Analysis, Investment Strategies and Risk of Loss 5

Methods of Analysis 5

Investment Strategy..... 5

Security Specific Material Risks 5

Item 9: Disciplinary Information..... 6

Criminal or Civil Actions 6

Administrative Enforcement Proceedings..... 6

Self-Regulatory Organization Enforcement Proceedings..... 6

Item 10: Other Financial Industry Activities and Affiliations	6
Broker-Dealer or Representative Registration	6
Futures or Commodity Registration.....	6
Material Relationships Maintained by this Advisory Business and Conflicts of Interest..	6
Recommendations or Selections of Other Investment Advisors and Conflicts of Interest	6
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	6
Code of Ethics Description	6
Investment Recommendations Involving a Material Financial Interest and Conflict of Interest.....	7
Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest.....	7
Client Securities Recommendations or Trades and Concurrent Advisory Firm Securities Transactions and Conflicts of Interest.....	7
Item 12: Brokerage Practices	8
Factors Used to Select Broker-Dealers for Client Transactions.....	8
Aggregating Securities Transactions for Client Accounts	8
Item 13: Review of Accounts	8
Schedule for Periodic Review of Client Accounts or Financial Plans and Advisory Persons Involved.....	8
Review of Client Accounts on Non-Periodic Basis	9
Content of Client Provided Reports and Frequency	9
Item 14: Client Referrals and Other Compensation	9
Economic benefits Provided to the Advisory Firm from External Sources and Conflicts of Interest.....	9
Advisory Firm Payments for Client Referrals	10
Item 15: Custody.....	10
Account Statements	10
Item 16: Investment Discretion	10
Discretionary Authority for Trading	10
Item 17: Voting Client Securities	11
Proxy Votes	11
Item 18: Financial Information	11
Balance Sheet.....	11

Financial Conditions Reasonably Likely to Impair Advisory Firm’s Ability to Meet Commitments to Clients.....	11
Bankruptcy Petitions during the Past Ten Years.....	11

Item 4: Advisory Business

Firm Description

Association Financial Services, Inc. ("The Firm") was founded in 2004 and began offering advisory services in October 2007. Martin A. Watkins is the majority owner.

The Firm is a registered investment adviser that provides financial planning and investment counseling services to individuals, corporations, small businesses, 401(k), pensions and profit sharing plans, estates, trusts, and institutional clients. The Firm does business as TrueNorth Wealth, TrueNorth Retirement Services, and Idaho Medical Association Financial Services. The Firm provides comprehensive financial planning to clients. This includes the five areas of financial planning, which are Protection, Estate Planning, Income Tax Planning, Retirement Income Planning and Investment Planning. The Firm does not have investment discretionary authority on any accounts. In other words, we neither custody client assets nor execute trades at the third-party custodians SEI Private Trust Company "SEI" or TD Ameritrade without client consent.

Clients may at any time add funds or securities to their accounts, withdraw funds or securities from their accounts, or close their accounts. There are no lock-up provisions.

Types of Advisory Services

The Firm provides investment supervisory services, also known as asset management services and furnishes financial planning and investment advice through consultations. The Firm believes total investment costs paid by its clients are highly competitive, generally averaging 0.60% of invested assets per year for accounts.

WRAP ASSET MANAGEMENT

The Firm offers non-discretionary direct wrap asset management services to advisory clients. More information regarding this service can be found in Part 2A, Appendix 1 (the "Wrap Fee Program Brochure").

ERISA PLAN SERVICES

The Firm provides service to qualified and non-qualified retirement plans including 401(k) plans, 403(b) plans, pension and profit sharing plans, cash balance plans, and deferred compensation plans. The Firm may act as either:

1. *Limited Scope 3(21) Fiduciary.* Advisor typically acts as a limited scope 3(21) fiduciary that can advise, help and assist plan sponsors with their investment decisions. The plan sponsor is still ultimately responsible for the decisions made in their plan, though using Advisor can help mitigate that plan sponsor's liability by following a diligent process.
2. *3(38) Investment Manager.* Advisor can also act as an ERISA 3(38) Investment Manager in which it has discretionary management and control of a given retirement plan's assets. Advisor would then become solely responsible and liable for the selection, monitoring and replacement of the plan's investment options.

INSTITUTIONAL CONSULTING

The Firm offers consulting advice, counsel and recommendations to institutional clients on a case-by-case basis. These services include but are not limited to general advice, counsel, and recommendations to staff, governing boards, and investment advisory committees on a variety of matters. The Firm will analyze, evaluate, and help to improve investment options,

underlying investments, asset allocation strategies, and objectives based on age groups of its beneficiaries as well as allocation for risk reduction.

FINANCIAL PLANNING AND CONSULTING

Services may include: determination of financial objectives, identification of financial problems, cash flow management, tax planning, insurance review, investment management and/or consulting, education funding, retirement planning, and estate planning.

Normally, financial planning is provided in conjunction with investment management services, with the client's investment management fee also covering the planning work. The Firm does not actively seek financial planning-only engagements, but may offer them at its sole discretion. In this case, the client will compensate The Firm on an hourly fee basis detailed under the "Fees and Compensation" section of this brochure.

The Firm gathers information for financial planning through personal interviews, which may take place in person or by phone, electronic mail, or other means. Related documents supplied by the client are carefully reviewed, and The Firm may provide a financial planning questionnaire. Often, a written financial plan report is prepared. From time to time, clients may request ad hoc consultation on individual planning topics, and a written report may not be necessary.

Should a client choose to implement the recommendations in the plan, The Firm suggests the client work closely with his/her attorney, accountant, insurance agent, or other professional(s) as may be necessary. Implementation of financial plan recommendations is entirely at the client's discretion, and the client is under no obligation to effect transactions through The Firm.

EDUCATIONAL SEMINARS/WORKSHOPS

The Firm holds seminars and workshops to educate the public on different types of investments and the different services they offer. The seminars are educational in nature and no specific investment or tax advice is given. The Firm does not charge a fee for attendance to these seminars.

Client Tailored Services and Client Imposed Restrictions

The goals and objectives for each client are documented in our client files. Investment strategies are created that reflect the stated goals and objective. Clients may impose restrictions on investing in certain securities or types of securities.

Agreements may not be assigned without written client consent.

Wrap Fee Programs

Our firm offers and sponsors a wrap fee program. Asset Management services are only offered through wrapped accounts, which are managed on an individualized basis according to the client's investment objectives, financial goals, risk tolerance, etc. Please see our Wrap Fee Program Brochure for more information.

Client Assets under Management

As of December 31, 2018, The Firm has approximately \$334,593,491 of client assets under management on a non-discretionary basis and \$67,201,030 of client assets under management on a discretionary basis. The Firm also has approximately \$11,000,000,000 of assets under advisement.

Item 5: Fees and Compensation

Method of Compensation and Fee Schedule

For most clients, the Firm's compensation derives from investment advisory fees on assets that are managed by the firm on behalf of the client. Clients pay the Firm a management fee (investment advisory fee) calculated as a percentage of the market value of an account. The Firm's compensation does not include various fees charged to clients by SEI Private Trust Company, hereafter "SEI," or TD Ameritrade, firms with which the Firm has a financial affiliation. While the Firm has the ability to establish commission based accounts with SEI and TD Ameritrade, it neither exercises that ability nor assesses any commission-based fees for its services. We are a fee-only planning and advisory firm. The firm seeks to provide complete transparency with regard to fees and expenses. Clients receive a confirmation of each transaction clearly disclosing any fees, and regular statements detailing all activity and charges which includes the specific accounting for the investment advisory fee.

WRAP ASSET MANAGEMENT

Please see our Wrap Fee Program Brochure for information regarding fees and compensation for wrap asset management services.

ERISA PLAN SERVICES

The annual fees are based on the market value of the Included Assets and will not exceed 1% of the value. The fee is charged in arrears and the initial fee will be based on the market value of the Plan assets as calculated by the custodian or record keeper of the Included Assets on the first business day of the initial fee period and will be due on the first business day of the fee period. For services started any time other than the first day of a quarter, the fee will be prorated based on the number of days remaining in the initial fee period. Thereafter, the fee will be based on the market value of the Plan assets on the last business day of the previous fee period (without adjustments for anticipated withdrawals by Plan participants or other anticipated or scheduled transfers or distribution of assets) and will be due within ten (10) business day. If this Agreement is terminated prior to the end of the fee period, the Advisor shall be entitled to a prorated fee based on the number of days during the fee period services were provided. Any unearned fees shall be refunded to the Plan or Plan Sponsor.

The compensation of The Firm for the services is described in detail in Schedule A of the ERISA Plan Agreement. The Plan is obligated to pay the fees, however the Plan Sponsor may elect to pay the fees. The Firm does not reasonably expect to receive any additional compensation, directly or indirectly, for its services under this Agreement. If additional compensation is received, The Firm will disclose this compensation, the services rendered, and the payer of compensation. Advisor will offset the compensation against the fees agreed upon under this Agreement.

INSTITUTIONAL CONSULTING

The Firm may be compensated for providing advice and consulting services to institutional clients. These fees are determined on a case-by-case basis and will be disclosed in writing in the agreement signed by both parties.

FINANCIAL PLANNING FEES

The Firm may also be compensated for planning services by the client on a pre-determined fixed fee basis. The Firm does complete financial plans as part of the investment advisory fee, and the Firm does have the flexibility to offer financial plans for a set fee and perform

financial consulting work on an hourly basis. The charge for a financial plan typically ranges from \$1,000 - \$15,000, but may be more or less, depending on the nature and complexity of each client's circumstances.

Client Payment of Fees

Investment management fees are billed quarterly, in arrears, meaning that we invoice you after the three-month billing period has ended. Payment in full is expected upon invoice presentation. Fees are usually deducted from a designated client account to facilitate billing. The client must consent in advance to direct debiting of their investment account.

Financial Planning fee will be negotiated in advance and will be set-out in each client's advisory contract. Final payment will be due in ninety (90) days.

Additional Client Fees Charged

Custodians may charge transaction fees on purchases or sales of certain mutual funds, equities, and exchange-traded funds. These charges may include Mutual Fund transactions fees, postage and handling and miscellaneous fees (fee levied to recover costs associated with fees assessed by self-regulatory organizations). These transaction charges are usually small and incidental to the purchase or sale of a security. The selection of the security is more important than the nominal fee that the custodian charges to buy or sell the security.

Wrap clients will not incur transaction costs for trades by their chosen custodian. More information about this can be found in our separate Wrap Fee Program Brochure.

The Firm, in its sole discretion, may waive its minimum fee and/or charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.).

For more details on the brokerage practices, see Item 12 of this brochure.

Prepayment of Client Fees

The firm does not charge client fees in advance.

External Compensation for the Sale of Securities to Clients

The Firm does not receive any external compensation for the sale of securities to clients, nor do any of the investment advisor representatives of The Firm.

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

Sharing of Capital Gains

Fees are not based on a share of the capital gains or capital appreciation of managed securities.

The Firm does not use a performance-based fee structure because of the conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

Item 7: Types of Clients

Description

We serve private clients, corporate and business pension or profit sharing plans, and government agencies. The Firm's private clientele consists primarily of individuals who have accumulated significant wealth, are about to retire or are already retired. These

clients are typically physicians and surgeons, business owners, or key employees. Any client who has financial, tax, or investment problems, or who wishes to plan prudently for their financial future will find tremendous benefit from our services.

Account Minimums

The Firm generally requires a minimum of \$300,000 to begin an advisory relationship. It believes that this is the minimum amount required to best execute its investment strategies for an individual portfolio. However, smaller accounts may be accepted at the discretion of management.

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

Methods of Analysis

We do not use technical analysis, charting, or market timing. We do use a fundamental approach, such as economic conditions, earnings, industry outlook, politics (as it relates to investments) historical data, price-earnings ratios, dividends, interest rates, company management and tax benefits. We do not pick individual stocks. We do not pick individual bonds, we pick stock pickers and bond pickers. We are not the fund manager, but rather, we are the manager of the fund managers. The main independent company we utilize to research investments is Morningstar, Inc. We also use other commercially available resources. We attempt to select client's investments to harmonize with their financial objectives.

The Firm continually adapts its investment recommendations to market conditions and individual client needs. Decades of experience have shown that no one approach works at all times for all clients. Generally, the Firm holds securities in taxable client accounts for over one year, but, when appropriate, will sell within a year to capture a large gain or harvest a tax loss. The Firm utilizes Modern Portfolio Theory-based model portfolios to aid clients in achieving their financial goals using academically sound methods. There is no guarantee that the investment goals will be achieved. Investing includes many inherent risks and acting upon advice furnished by the Firm may result in loss of principal.

Investment Strategy

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time. Each client executes an Investment Policy Statement or Risk Tolerance that documents their objectives and their desired investment strategy.

Other strategies may include long-term purchases, short-term purchases and trading.

Security Specific Material Risks

All investment programs have certain risks that are borne by the investor. Fundamental analysis may involve interest rate risk, market risk, business risk, and financial risk.

Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks and should discuss these risks with The Firm:

- *Interest-rate Risk:* Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- *Market Risk:* The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances.

For example, political, economic and social conditions may trigger market events.

- *Business Risk:* These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- *Financial Risk:* Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Item 9: Disciplinary Information

Criminal or Civil Actions

The firm and its management have not been involved in any criminal or civil action.

Administrative Enforcement Proceedings

The firm and its management have not been involved in any administrative enforcement proceedings.

Self-Regulatory Organization Enforcement Proceedings

The firm and its management have not been involved in legal or disciplinary events related to past or present investment clients.

Item 10: Other Financial Industry Activities and Affiliations

Broker-Dealer or Representative Registration

Neither The Firm nor any of its employees are registered representatives of a broker-dealer.

Futures or Commodity Registration

Neither The Firm nor its employees are registered or has an application pending to register as a futures commission merchant, commodity pool operator, or a commodity trading advisor.

Material Relationships Maintained by this Advisory Business and Conflicts of Interest

Neither The Firm nor any of its employees have any material relationships or conflicts of interest to disclose.

Recommendations or Selections of Other Investment Advisors and Conflicts of Interest

The Firm does not recommend or select other investment advisors.

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

Code of Ethics Description

The employees of The Firm have committed to a Code of Ethics ("Code"). The purpose of our Code is to set forth standards of conduct expected of The Firm employees and addresses conflicts that may arise. The Code defines acceptable behavior for employees of

The Firm. The Code reflects The Firm and its supervised persons' responsibility to act in the best interest of their client.

One area the Code addresses is when employees buy or sell securities for their personal accounts and how to mitigate any conflict of interest with our clients. We do not allow any employees to use non-public material information for their personal profit or to use internal research for their personal benefit in conflict with the benefit to our clients.

The Firm policy prohibits any person from acting upon or otherwise misusing non-public or inside information. No advisory representative or other employee, officer or director of The Firm may recommend any transaction in a security or its derivative to advisory clients or engage in personal securities transactions for a security or its derivatives if the advisory representative possesses material, non-public information regarding the security.

The Firm' Code is based on the guiding principle that the interests of the client are our top priority. The Firm' officers, directors, advisors, and other employees have a fiduciary duty to our clients and must diligently perform that duty to maintain the complete trust and confidence of our clients. When a conflict arises, it is our obligation to put the client's interests over the interests of either employees or the company.

The Code applies to "access" persons. "Access" persons are employees who have access to non-public information regarding any clients' purchase or sale of securities, or non-public information regarding the portfolio holdings of any reportable fund, who are involved in making securities recommendations to clients, or who have access to such recommendations that are non-public.

The firm will provide a copy of the Code of Ethics to any client or prospective client upon request.

Investment Recommendations Involving a Material Financial Interest and Conflict of Interest

The Firm and its employees do not recommend to clients securities in which we have a material financial interest.

Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest

The Firm does not buy securities from, nor sell securities to any investment advisory client. The Firm, and its officers, employees, and family members generally hold the same securities the Firm recommends for client accounts. The Firm prohibits itself and its associated persons from benefiting from the short-term market effects of transactions for clients.

Client Securities Recommendations or Trades and Concurrent Advisory Firm Securities Transactions and Conflicts of Interest

The Firm does not maintain a firm proprietary trading account and does not have a material financial interest in any securities being recommended and therefore no conflicts of interest exist. However, employees may buy or sell securities at the same time they buy or sell securities for clients. In order to mitigate conflicts of interest such as front running, employees are required to disclose all reportable securities transactions as well as provide The Firm with copies of their brokerage statements.

The Chief Compliance Officer of The Firm is Joseph Griffin. He reviews all employee trades each quarter. The personal trading reviews ensure that the personal trading of employees does not affect the markets and that clients of the firm receive preferential treatment over employee transactions.

Item 12: Brokerage Practices

Factors Used to Select Broker-Dealers for Client Transactions

The Firm may recommend the use of a particular broker-dealer or may utilize a broker-dealer of the client's choosing. The Firm will select appropriate brokers based on a number of factors including but not limited to their relatively low transaction fees and reporting ability. The Firm relies on its broker to provide its execution services at the best prices available. Lower fees for comparable services may be available from other sources. Clients pay for any and all custodial fees in addition to the advisory fee charged by The Firm

- *Directed Brokerage*

In circumstances where a client directs The Firm to use a certain broker-dealer, The Firm still has a fiduciary duty to its clients. The following may apply with Directed Brokerage: The Firm's inability to negotiate commissions, to obtain volume discounts, there may be a disparity in commission charges among clients and conflicts of interest arising from brokerage firm referrals.

- *Best Execution*

Investment advisors who manage or supervise client portfolios on a discretionary basis have a fiduciary obligation of best execution. The Firm does not exercise discretion over client accounts.

- *Soft Dollar Arrangements*

The Securities and Exchange Commission defines soft dollar practices as arrangement under which products or services other than execution services are obtained by The Firm from or through a broker-dealer in exchange for directing client transactions to the broker-dealer. As permitted by Section 28(e) of the Securities Exchange Act of 1934, The Firm receives economic benefits as a result of commissions generated from securities transactions by the broker-dealer from the accounts of The Firm. These benefits include both proprietary research from the broker and other research written by third parties.

A conflict of interest exists when The Firm receives soft dollars. This conflict is mitigated by the fact that The Firm has a fiduciary responsibility to act in the best interest of its clients and the services received are beneficial to all clients.

The Firm participates in the institutional advisor programs (the "Programs") offered by SEI and TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade, Inc., member FINRA/SIPC/NFA ("TD Ameritrade"), an unaffiliated SEC-registered broker-dealer and FINRA member. SEI and TD Ameritrade offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. The Firm receives some benefits from SEI and TD Ameritrade through its participation in the Programs. (Please see the disclosure under Item 14 below.)

Aggregating Securities Transactions for Client Accounts

The Firm does not aggregate trades.

Item 13: Review of Accounts

Schedule for Periodic Review of Client Accounts or Financial Plans and Advisory Persons Involved

The Firm's financial advisors and compliance officer regularly monitor accounts to implement investment strategies that serve each client's investment objectives. At a

minimum, investment performance is tracked quarterly for each advisory account. More frequent account reviews are triggered by such factors as: awareness of a material change in a client's circumstances or investment objectives, significant changes in market conditions, changes in the portfolio manager's assessment of a security held in an account, and divergence of an account's investment performance from management's expectations. The Firm has approximately \$355 million under management and has approximately 250 clients for whom it provides financial planning services.

Review of Client Accounts on Non-Periodic Basis

Other conditions that may trigger a review of clients' accounts are changes in the tax laws, new investment information, and changes in a client's own situation.

Content of Client Provided Reports and Frequency

The Firm arranges for SEI and TD Ameritrade to furnish clients with confirmations of trades or debit/credit advice promptly after completion of any portfolio transaction for which the Firm has placed an order. The confirmations detail the principal amount and any other fees for each transaction. In addition, the Firm arranges for each client and/or client designated representative to receive regular account statements showing the activity in each of the client's accounts and the market value of each security in the accounts. The Firm, upon request, may provide additional reports showing the industry and sector diversification of a portfolio, the cost basis of securities held, realized capital gains and losses, and other portfolio information. In addition, through meetings, telephone calls, and letters, the Firm regularly keeps clients informed of the investment policy and strategy for achieving clients' investment objectives. The nature and frequency of these reports and other communications are determined primarily by the particular needs of each client.

The Firm may post its policies, including this information pamphlet, and other disclosures on its websites at www.truenorthwealth.com and www.tnrs.com and will at least annually send them to or otherwise make them available to clients.

Item 14: Client Referrals and Other Compensation

Economic benefits Provided to the Advisory Firm from External Sources and Conflicts of Interest

The Firm does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

As disclosed under Item 12. above, The Firm participates in SEI and TD Ameritrade's institutional customer programs and Advisor may recommend SEI and/or TD Ameritrade to Clients for custody and brokerage services. There is no direct link between The Firm's participation in the programs and the investment advice it gives to its Clients, although The Firm receives economic benefits through its participation in the programs that are typically not available to SEI and TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving The Firm 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 to certain institutional money managers; and discounts on compliance, marketing,

research, technology, and practice management products or services provided to The Firm by third party vendors.

SEI and TD Ameritrade may also have paid for business consulting and professional services received by The Firm's related persons. Some of the products and services made available by SEI and TD Ameritrade through the programs may benefit Advisor but may not benefit its Client accounts. These products or services may assist Advisor in managing and administering Client accounts, including accounts not maintained at SEI or TD Ameritrade. Other services made available by SEI and TD Ameritrade are intended to help Advisor manage and further develop its business enterprise. The benefits received by The Firm or its personnel through participation in the programs do not depend on the amount of brokerage transactions directed to SEI or TD Ameritrade. As part of its fiduciary duties to clients, The Firm endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by The Firm or its related persons in and of itself creates a conflict of interest and may indirectly influence The Firm's choice of SEI or TD Ameritrade for custody and brokerage services.

Advisory Firm Payments for Client Referrals

The Firm as a matter of policy and practice, may compensate persons, i.e., individual or entities, for the referral of advisory clients to the firm provided appropriate disclosures and regulatory requirements are met.

In fact, The Firm has an agreement with Idaho Medical Association (IMA) under which IMA has agreed to provide opportunities for The Firm to obtain IMA members as advisory clients. In return, The Firm has agreed to pay IMA five percent of the gross annual revenue received from IMA members who become advisory clients. This arrangement creates a relationship where IMA is acting as a "solicitor" as defined under Rule 206(4)-3.

Item 15: Custody

Account Statements

All assets are held at qualified custodians, which means the custodians provide account statements directly to clients at their address of record at least quarterly. Clients are urged to compare the account statements received directly from their custodians to the performance report statements prepared by The Firm.

The Firm is deemed to have constructive custody solely because advisory fees are directly deducted from client's account by the custodian on behalf of The Firm.

Item 16: Investment Discretion

Discretionary Authority for Trading

The Firm accepts non-discretionary authority to manage securities accounts on behalf of clients. The Firm will obtain specific client consent for the securities to be bought or sold, and the amount of the securities to be bought or sold.

The client approves the custodian to be used and the commission rates paid to the custodian. The Firm does not receive any portion of the transaction fees or commissions paid by the client to the custodian on certain trades.

Item 17: Voting Client Securities

Proxy Votes

The Firm does not vote proxies on securities. Clients are expected to vote their own proxies. The client will receive their proxies directly from the custodian of their account or from a transfer agent.

When assistance on voting proxies is requested, The Firm will provide recommendations to the client. If a conflict of interest exists, it will be disclosed to the client.

Item 18: Financial Information

Balance Sheet

A balance sheet is not required to be provided because The Firm does not serve as a custodian for client funds or securities and The Firm does not require prepayment of fees of more than \$1200 per client and six months or more in advance.

Financial Conditions Reasonably Likely to Impair Advisory Firm's Ability to Meet Commitments to Clients

The Firm has no condition that is reasonably likely to impair our ability to meet contractual commitments to our clients.

Bankruptcy Petitions during the Past Ten Years

Neither the Firm nor its management has had any bankruptcy petitions in the last ten years.