

**Item 1: Cover Page for Part 2A Appendix 1 of Form ADV:
Wrap Fee Program Brochure
March 2019**



Financial Advisors Network, Inc.

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This wrap fee program brochure provides information about the qualifications and business practices of Financial Advisors Network, Inc. If you have any questions about the contents of this brochure, please contact us by telephone at 866-526-7726 or email at brian@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, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov by searching CRD # 152083.

Please note use of the term "registered investment adviser" and description of Financial Advisors Network, Inc. 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, Inc. 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 in March 23, 2018, we have made the following changes:

- We have begun recommending TD Ameritrade as a custodian as disclosed in Item 9.
- We have begun recommending Millennium Trust Company (“MTC”) as a custodian to hold first trust deed investments as disclosed in Item 9.
- We have added additional disclosures related to first trust deed investments in Items 4, 6, and 9.
- We no longer recommend PENSICO as a custodian for first trust deeds.
- We have updated our reimbursement schedule for advisory clients of Kamps & Associates Accounting Services, LLC as disclosed in Item 4.

Item 3: Table of Contents

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Item 4: Services, Fees & Compensation

Our firm manages assets for many different types of clients to help meet their financial goals while remaining sensitive to risk tolerance and time horizons. As a fiduciary, it is our duty to always act in the client's best interest. This is accomplished in part by knowing the client. Our firm has established a service-oriented advisory practice with open lines of communication. Working with clients to understand their investment objectives while educating them about our process, facilitates the kind of working relationship we value.

Our firm sponsors and offers a wrap fee program, which allows clients to pay a single fee for investment advisory services and associated custodial transaction costs. Because our firm absorbs client transaction fees, an incentive exists to limit trading activities in client accounts. Custodial transaction costs, however, are not included in the advisory fee charged by our firm for non-wrap services, and are to be paid by the client to their chosen custodian. Depending on the client's account or portfolio trading activity, clients may pay more for using our wrap fee services than they would for using our non-wrap services.

Our Wrap Advisory Services

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, first trust deeds, 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. However, the firm does not have any discretionary authority over first trust deed investments. 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.

Fee Schedule:

Assets Under Management	Annual Percentage of Assets Charge
Any Assets	Up to 1.75%

Fees to be assessed will be outlined in the advisory agreement to be signed by the client. 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.

Clients should be aware that while clients do not pay separate transaction charges for trade execution in our wrap fee programs, we pay an asset based fee to the account custodian to cover the cost of

trade executions. The amount of this fee varies by custodian and our firm increases its advisory fee to the client by the amount of the asset based fee that it will pay to the custodian. We may charge a reduced advisory fee for friends and family of employees and clients invested in short-term treasury securities of cash reserves.

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.

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 Asset Management Planning Services, Inc. may pay for a portion of the client's tax planning fees and tax preparation fees. Clients with less than \$500,000 in assets under our management may receive a \$150 credit from Kamps & Associates Accounting Services, LLC for tax return expenses during their first year with our firm. Exceptions may be granted based on family assets, market fluctuation/volatility, and/or referrals. 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:

Assets Under Management	Tax Planning Fee Credit	Tax Preparation Fee Credit	Form 5500-SF
\$500,000 - \$1,000,000	\$100	\$350	\$200
\$1,000,001 - \$2,000,000	\$150	\$500	\$300
\$2,000,001 - \$4,000,000	\$200	\$1,000	\$500
\$4,000,001 - \$8,000,000	\$250	\$1,500	\$750
\$8,000,001 +	Negotiable	Negotiable	Negotiable

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.

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.

Other Types of Fees & Expenses:

You will pay charges imposed by the custodian, including but not limited to IRA and qualified retirement plan fees, alternative investment processing and custody fees, administrative servicing fees for trust accounts, fees based on cash or money market deposits, and other charges required by law and imposed by the executing broker/dealer and custodian. Clients will also pay 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.

First Trust Deed Investments:

When appropriate for the client, our firm will recommend that client invest a portion of portfolio assets in a first trust deed investment. A first trust deed involves investing in a loan secured by real estate. First trust deeds may be undivided fractionalized interests in whole notes secured by real estate or whole notes secured by real estate. All investments in first trust deeds are arranged through an unaffiliated, licensed real estate broker and require the client to complete various documentation regarding the transaction. Our firm is not responsible for arranging the first trust deed investments and does not act on a discretionary basis with respect to first trust deed investments; however, we will assist client with the completion of the documents. First trust deeds are complicated transactions, and as such are not appropriate for all clients. It is the responsibility of the client to understand first trust deed investments and be comfortable with the risks prior to investing. Clients are encouraged to read the California Department of Real Estate publication entitled "*Trust Deed Investments: What You Should Know!!*" prior to investing in a first trust deed. First trust deeds are only recommended to clients with at least \$800,000 in assets under management managed by our firm. Clients may invest up to 5% of their assets under management in any one FTD and are limited to 20% in our advisory accounts.

Portfolio assets invested in first trust deeds are considered assets of your wrap fee program portfolio and will be charged our normal advisory fee on the value of the investment according to the wrap fee program fee schedule noted above. In addition, client will pay fees imposed by the real estate broker and loan servicing agent for the first trust deed. The real estate broker will charge upfront points on the amount of the first trust deed investment and an ongoing servicing fee that is deducted from the loan payments received from the borrower. The servicing fee is a "spread" between the interest rate payable by the borrower on the loan ("borrower rate") and the interest rate the client receives as an investor ("investor rate"). The loan servicing agent also receives an ongoing servicing fee that is

deducted from the loan payments received from the borrower. These fees are separate from and in addition to our advisory fee and will be disclosed in documentation that clients sign at the time of investing in the first trust deed. There will be additional fees involved in situations where foreclosure by the client is necessary.

First trust deed investments will be held by Millennium Trust Company ("MTC"), a qualified custodian. MTC imposes additional fees for administrative and custodial services. For example, MTC imposes an annual holding fee for each first trust deed investment as follows: \$175 for one holding, \$325 for two holdings, \$450 for three holdings, and \$550 for four or more holdings. These fees are not charged to the client; rather, we pay the first \$100 and the licensed real estate broker that arranges the first trust deed investment pays the remainder. MTC also charges fees for certain processing activities including, but not limited to, account termination fees, outgoing wire or overnight delivery fees, and outgoing asset transfer or registration fees. These fees are charged to the client.

Please refer to Item 6: "Methods of Analysis, Investment Strategies & Risk of Loss" for a discussion of the risks associated with investing in first trust deeds.

Wrap Fee Program Recommendations:

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). 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.

There may also be annual custodial account fees for retirement accounts and closing account fees charged by the custodian.

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

Selection of Portfolio Managers:

Our firm utilizes our in-house portfolio managers as well as a selection of outside portfolio managers. In-house accounts are managed by licensed investment adviser representatives ("IAR"s) of our firm. Prior to becoming licensed with our firm, each IAR's industry experience, licensure, outside business activities, client complaints (if any), disciplinary or regulatory history (if any) and financial well-being will be reviewed. Each IAR will then have a Form U4 and ADV Part 2B on file with our firm.

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

Advisory Business:

See Item 4 of this Wrap Fee Program Brochure for information about our wrap fee advisory programs. We offer individualized investment advice to clients utilizing the services described in Item 4 of this Wrap Fee Program Brochure. 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.

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.

Performance-Based Fees & Side-By-Side Management:

We do not charge performance fees to our clients.

Methods of Analysis, Investment Strategies & Risk of Loss:

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

- 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.

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

- Core
- Value
- Momentum
- Income
- Strategic Income
- Tax-Managed
- Dividend Focused
- Dividend & Growth Focused
- REIT

The Core strategy is an index fund based strategy designed to have 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 bottom-up fundamental strategy designed to produce higher levels of income.

The Strategic Income strategy is a bottom-up strategy that seeks to align sector tilts with the current phase of the business cycle to generate tax-optimized current income.

The Tax-Managed strategy is designed to minimize tax implications by keeping portfolio turnover relatively low and uses the filters of our Strategic Income, Income, Value, Dividend and Growth Focused and Dividend Focused strategies for security selection and allocation.

The Dividend Focused strategy is yield focuses attempting to capture dividend yield from historically stable firms.

The Dividend & Growth Focused strategy is designed to capture capital appreciation amongst dividend yielding firms.

The REIT strategy attempts to generate current income by taking strategic tilts within the real estate sector using publicly-traded real estate investment trust securities.

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.

There are risks associated with investing in securities. The following highlights some of the risks associated with the types of investments that may be purchased for your account:

- Investing in international markets presents additional risks including currency fluctuations, the potential for diplomatic and political instability, regulatory and liquidity risks and foreign taxation among others. The risks of foreign investing are generally greater in emerging markets.
- High yield bonds carry greater risks than bonds rated as investment grade. For example, they are issued by organizations that do not qualify for an investment grade rating by one of the rating agencies because of the potential for higher default by the issuer. Another risk is that further financial difficulties by the issuer may result in a decrease in the market value, and this may make it impossible to liquidate the bond prior to maturity.
- Funds designed to short the market, or inverse funds, have a goal of providing the opposite or inverse of the return for the underlying index. Inverse funds may have higher expense ratios and be less tax-efficient than a traditional mutual fund or ETF. They may also be riskier. We may use inverse mutual funds or ETFs as a short term holding in your account when deemed appropriate.
- ETFs are typically investment companies that are legally classified as open end mutual funds or UITs. However, they differ from traditional mutual funds, in particular, in that ETF shares are listed on a securities exchange. Shares can be bought and sold throughout the trading day like shares of other publicly-traded companies. ETF shares may trade at a discount or premium to their net asset value. This difference between the bid price and the ask price is often referred to as the "spread." The spread varies over time based on the ETF's trading volume and market liquidity, and is generally lower if the ETF has a lot of trading volume and market liquidity and higher if the ETF has little trading volume and market liquidity. Although many ETFs are registered as an investment company under the Investment Company Act of 1940 like traditional mutual funds, some ETFs, in particular those that invest in commodities, are not registered as an investment company.
- Business development companies ("BDCs") are operated for the purpose of making investments in small and developing business, as well as financially troubled businesses. BDCs must also make available managerial assistance to certain of its portfolio companies and are only required to disclose its net asset value on a quarterly basis. BDCs are often characterized as a publicly traded venture capital or private equity firm that is subject to certain provisions of the Investment Company Act. BDCs can be speculative investments because of the types of investments they make and involve significant risks. These risks include, but are not limited to, portfolio company credit and investment risk, leverage risk, market and valuation risk, price volatility risk, liquidity risk, capital markets risk, interest rate risk, dependence on key personnel, and structural and regulatory risk.
- Structured products are securities derived from another asset, such as a security or a basket of securities, an index, a commodity, a debt issuance, or a foreign currency. Structured products frequently limit the upside participation in the reference asset. Structured products are senior unsecured debt of the issuing bank and subject to the credit risk associated with that issuer. This credit risk exists whether or not the investment held in the account offers principal protection. The creditworthiness of the issuer does not affect or enhance the likely performance of the investment other than the ability of the issuer to meet its obligations. Any payments due at maturity are dependent on the issuer's ability to pay. In addition, the trading

price of the security in the secondary market, if there is one, may be adversely impacted if the issuer's credit rating is downgraded. Some structured products offer full protection of the principal invested, others offer only partial or no protection. Investors may be sacrificing a higher return to obtain the principal guarantee. In addition, the principal guarantee relates to nominal principal and does not offer inflation protection. An investor in a structured product never has a claim on the underlying investment, whether a security, zero coupon bond, or option. There may be little or no secondary market for the securities and information regarding independent market pricing for the securities may be limited. This is true even if the product has a ticker symbol or has been approved for listing on an exchange. Tax treatment of structured products may be different from other investments held in the account (e.g., income may be taxed as ordinary income even though payment is not received until maturity). Structured CDs that are insured by the FDIC are subject to applicable FDIC limits.

- First trust deed investing involves investing in loans secured by real estate. First trust deeds may be undivided fractionalized interests in whole notes secured by real estate or whole notes secured by real estate. Most trust deed investments are intended to be relatively short term, typically between one and five years, and made to individual real estate investors. The following are some of the risks associated with investing in first trust deeds. Not all clients are appropriate for first trust deed investing.
 - Fractionalized Interests – If you own an undivided fractionalized interest in a first trust deed, you will be a joint beneficiary with others on the note. The beneficiaries holding more than 50% interest in the note will govern the actions to be taken on behalf of all holders in the event of default or other matters.
 - Credit Risk – Investments in notes secured by first trust deeds and real property sales contracts are subject to risk of loss of principal and monthly income. If the borrower stops making payments on any investments you make, you will not receive income, therefore, you cannot rely on this income.
 - Illiquid Investments - First trust deed investments are not liquid. Clients need to be willing to keep the investment until the borrower pays off the loan, or, in the case of default, until the client and other joint beneficiaries have foreclosed and sold the underlying property. Foreclosure proceedings will require consensus of a majority of beneficiaries on the note.
 - No Capital Appreciation - With first trust deed investing there is no chance for capital appreciation. Typically, the only returns that the client will be entitled to will come from the interest income generated from the loan.
 - Complex Investment - Directly investing in first trust deeds requires that the client identify borrowers, assess deals on their merit, and conduct due diligence on the borrower and the property. This requires knowledge that the client must acquire. There is also risk that a flaw in documentation could increase the risk. For example, litigation or title problems could cause problems if the borrower or some other party make a credible claim that the first trust deed instruments are not valid or that they have some interest in the underlying property. This may require the client to take legal action at additional expense to protect his/her interests.
 - Failure to Record Title – The first trust deed investments that you will make will either name you and your percentage interest in the investment or will be assigned to you. Your first trust deed investment is not secured by the real estate collateral unless your interests in those investments are recorded.
 - Balloon Payment – A balloon payment is any installment payment (usually the payment due at maturity) which is greater than twice the amount of the smallest installment payment under the promissory note. The borrower is under no obligation to pay off the loan prior to the maturity date. Further, in the case of a

balloon payment, there is potential risk that the borrower may not be able to make the balloon payment. The borrower may have to obtain a new loan or sell the property to make the balloon payment. If the effort is not successful it may be necessary for the holder of the note to foreclose on the property as a means of collecting the amount owed.

- Lack of Insurance – The inability to obtain insurance on the real estate for terrorist acts, earthquakes, floods and other acts of nature expose the real estate improvements and value of the first trust deed to risk. For example, if there is an earthquake that destroys a structure on which a client has provided a loan and there is no insurance coverage, the client will experience a loss of principal.

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

Disciplinary Information

We have determined that our firm and management have no disciplinary information to disclose.

Financial Industry Activities & Affiliations

Certain of our firm's employees, in their individual capacities, are also licensed insurance agents with Kamps & Associates Insurance Services and 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

employees, 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 employees receive insurance commissions or other additional compensation.

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.

The parent company of our firm, Kamps Asset Management Planning Services, Inc., is 50% owner of Kamps & Associates Accounting Services, LLC, a CPA accounting practice. Mr. Kamps, the owner of Kamps Asset Management Planning Services, Inc., spends approximately 5% of his time on this activity.

As stated previously, for our clients with wrap program accounts, our parent company Kamps Asset Management Planning Services, 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.

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 accounts.

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 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.

Neither our firm nor a related person recommends, buys or sells for client accounts, securities in which our firm or a related person has a material financial interest without prior disclosure to the client.

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.

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. If a related person of our firm wants to buy or sell the same security that our firm is buying or selling for a client on the same day, the related persons of our firm will only buy or sell securities for themselves after they buy or sell the same securities for client accounts on the same day. This policy will minimize the potential conflict of interest of related persons benefiting from transactions placed on behalf of clients.

Review of Accounts

We review accounts on at least an annual basis for our clients subscribing to our 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.

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.

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 our Comprehensive Portfolio Management Wrap Fee Program.

Other Compensation

We have strategic alliances with various professionals (e.g., lawyers, CPAs, lenders, etc.) that offer services that may be appropriate for our clients. On occasion we will co-sponsor educational seminars or client events with these professionals for which we will be reimbursed for expenses. In certain circumstances, these professionals will also present at the seminars or events. These strategic alliances create a conflict of interest as we may recommend the services of such professionals to our advisory clients to the extent we believe it is in the client's best interest. We do not receive compensation for client referrals and clients are under no obligation to use the services of the professionals; however, the professionals may in certain circumstances provide us with cross referrals of individuals who may benefit from our advisory services. There is no obligation between our firm and the professionals to refer clients to one another.

In some cases, the professionals may also pay us rent to occupy space in our office building. These rates are at market rental rates, and are in no way contingent upon client introductions.

LPL Financial:

In certain circumstances we will 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.

In addition, Mr. Kamps has received \$5,000 worth of shares of restricted stock from LPL Financial in 2014, 2015, and 2016. The stock is typically paid out the following year.

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.

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.

TD Ameritrade:

Our firm may recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between our firm's participation in the program and the investment advice given to clients, although we receive economic benefits through our participation in the program that are typically not available to 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 our firm's 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 us by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by our firm's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit our firm but may not benefit our client accounts. These products or services may assist us in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help us manage and further develop our business enterprise. The benefits received by

our firm or our personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of our fiduciary duties to our clients, we endeavor at all times to put the interests of our clients first. Clients should be aware, however, that the receipt of economic benefits by our firm or our related persons in and of itself creates a potential conflict of interest and may indirectly influence our firm's choice of TD Ameritrade for custody and brokerage services.

Our firm also receives from TD Ameritrade certain additional economic benefits ("Additional Services") that may or may not be offered to any other independent investment Advisors participating in the program. TD Ameritrade provides the Additional Services to our firm in its sole discretion and at its own expense. Our firm does not pay any fees to TD Ameritrade for the Additional Services. Our firm and TD Ameritrade have entered into a separate agreement ("Additional Services Addendum") to govern the terms of the provision of the Additional Services.

Our firm's receipt of Additional Services raises potential conflicts of interest. In providing Additional Services to our firm, TD Ameritrade most likely considers the amount and profitability to TD Ameritrade of the assets in, and trades placed for, our firm's Client accounts maintained with TD Ameritrade. TD Ameritrade has the right to terminate the Additional Services Addendum with our firm, in its sole discretion, provided certain conditions are met. Consequently, in order to continue to obtain the Additional Services from TD Ameritrade, our firm may have an incentive to recommend to its Clients that the assets under management by our firm be held in custody with TD Ameritrade and to place transactions for Client accounts with TD Ameritrade. Our firm's receipt of Additional Services does not diminish its duty to act in the best interests of its Clients, including to seek best execution of trades for Client accounts.

Client Referrals:

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.

Financial Information

FAN is required to provide clients with certain information or disclosures about its financial condition. We have no financial commitment that impairs our ability to meet contractual or fiduciary commitments to clients, and we have not been the subject of a bankruptcy petition

Brokerage Practices

Selecting a Brokerage Firm

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., Inc. ("Schwab") or SEI Private Trust Company ("SEI"). Our firm also participates in the TD Ameritrade Institutional program. TD Ameritrade Institutional is a division of TD Ameritrade, Inc. ("TD Ameritrade") member FINRA/SIPC. LPL, Schwab, TD Ameritrade, and SEI offer services to independent investment advisers which include custody of securities, trade execution, clearance and settlement of transactions. SEI serves as custodian for SEI Program clients.

While we recommend that you use LPL, Schwab, TD Ameritrade 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.

To the extent client invests in first trust deeds, Millennium Trust Company ("MTC") will serve as the custodian of the first trust deeds.

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.

Soft Dollars:

LPL, Schwab, TD Ameritrade, 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, TD Ameritrade, 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, TD Ameritrade, 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, TD Ameritrade, 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, TD Ameritrade, and 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. 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.

Brokerage for Client Referrals:

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

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.

Aggregation of Purchase or Sale:

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.

Custody

Securities in program accounts are held by qualified custodians. All of our clients receive at least quarterly account statements directly from their custodians. If we decide to also send account statements to clients, such notice and account statements include a legend that recommends that the client compare the account statements received from the qualified custodian with those received from our firm.

Although most securities available in program accounts are custodied at LPL, Schwab, TD Ameritrade, or SEI, there are certain securities managed as part of the account that are held at third parties, and not at LPL, Schwab, TD Ameritrade, or SEI. For example, variable annuities, non-public real estate investment trusts, first trust deeds, hedge funds and managed futures are often held directly with the investment sponsor or custodian. For those outside positions, client will receive confirmations and statements directly from the investment sponsor or custodian.

Trustee of Client Accounts:

In certain circumstances, investment advisor representatives of our firm may act as a trustee to client accounts. As such, our firm is deemed to have custody with respect to assets in these accounts. The client funds and securities for which our firm has custody, if any, are subject to examination at least once during each calendar year by an independent public accountant registered with the Public Company Accounting Oversight Board.

Third Party Money Movement:

The SEC issued a no-action letter ("Letter") with respect to the Rule 206(4)-2 ("Custody Rule") under the Investment Advisers Act of 1940 ("Advisers Act"). The letter provided guidance on the Custody Rule as well as clarified that an adviser who has the power to disburse Advisory Client funds to a third party under a standing letter of instruction ("SLOA") is deemed to have custody. As such, our firm has adopted the following safeguards in conjunction with the account custodian:

- The client provides an instruction to the qualified custodian, in writing, that includes the client's signature, the third party's name, and either the third party's address or the third party's account number at a custodian to which the transfer should be directed.
- The client authorizes the investment adviser, in writing, either on the qualified custodian's form or separately, to direct transfers to the third party either on a specified schedule or from time to time.
- The client's qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the client's authorization, and provides a transfer of funds notice to the client promptly after each transfer.
- The client has the ability to terminate or change the instruction to the client's qualified custodian.
- The investment adviser has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the client's instruction.
- The investment adviser maintains records showing that the third party is not a related party of the investment adviser or located at the same address as the investment adviser.
- The client's qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

We encourage our clients to raise any questions with us about the custody, safety or security of their assets.