

**FORM ADV****Uniform Application for Investment Adviser Registration****Part II - Page 1****OMB APPROVAL**

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Name of Investment Adviser:

**Iwamoto Kong**

Address: (Number and Street)

**19200 Von Karman Avenue, Suite 1030**

(City)

**Irvine**

(State)

**CA**

(Zip Code)

**92612**

Area Code: Telephone Number:

**( 949 ) 253-8888**

**This part of Form ADV gives information about the investment adviser and its business for the use of clients.  
The information has not been approved or verified by any governmental authority.**

**Table of Contents**

<b><u>Item Number</u></b>	<b><u>Item</u></b>	<b><u>Page</u></b>
1	Advisory Services and Fees . . . . .	2
2	Types of Clients . . . . .	2
3	Types of Investments . . . . .	3
4	Methods of Analysis, Sources of Information and Investment Strategies . . . . .	3
5	Education and Business Standards . . . . .	4
6	Education and Business Background . . . . .	4
7	Other Business Activities . . . . .	4
8	Other Financial Industry Activities or Affiliations . . . . .	4
9	Participation or Interest in Client Transactions . . . . .	5
10	Conditions for Managing Accounts . . . . .	5
11	Review of Accounts . . . . .	5
12	Investment or Brokerage Discretion . . . . .	6
13	Additional Compensation . . . . .	6
14	Balance Sheet . . . . .	6
	Continuation Sheet . . . . .	Schedule F
	Balance Sheet, if required. . . . .	Schedule G

(Schedules A, B, C, D, and E are included with Part I of this Form, for the use of regulatory bodies, and are not distributed to clients.)

**Potential persons who are to respond to the collection of information contained in this form  
are not required to respond unless the form displays a currently valid OMB control number.**

**FORM ADV****Part II - Page 2**

Applicant:

**Iwamoto Kong**

SEC File Number:

801-55371

Date:

**03/21/07**1. **A. Advisory Services and Fees.** (check the applicable boxes)

For each type of service provided, state the approximate % of total advisory billings from that service.  
(See instruction below.)

**Applicant:**

- |                                     |     |   |            |
|-------------------------------------|-----|---|------------|
| <input checked="" type="checkbox"/> | (1) | Provides investment supervisory services . . . . .  | <u>98%</u> |
| <input checked="" type="checkbox"/> | (2) | Manages investment advisory accounts not involving investment supervisory services . . . . .  | <u>0%</u>  |
| <input checked="" type="checkbox"/> | (3) | Furnishes investment advice through consultations not included in either service described above . . . . .  | <u>2%</u>  |
| <input type="checkbox"/>            | (4) | Issues periodicals about securities by subscription . . . . .   | <u>%</u>   |
| <input type="checkbox"/>            | (5) | Issues special reports about securities not included in any service described above . . . . .   | <u>%</u>   |
| <input type="checkbox"/>            | (6) | Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities . . . . . | <u>%</u>   |
| <input type="checkbox"/>            | (7) | On more than an occasional basis, furnishes advice to clients on matters not involving securities . . . . .   | <u>%</u>   |
| <input type="checkbox"/>            | (8) | Provides a timing service . . . . .   | <u>%</u>   |
| <input type="checkbox"/>            | (9) | Furnishes advice about securities in any manner not described above . . . . .   | <u>%</u>   |

(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)

B. Does applicant call any of the services it checked above financial planning or some similar term? . . . . .

Yes No  
☒ ☐

C. Applicant offers investment advisory services for: (check all that apply)

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> (1) A percentage of assets under management      | <input type="checkbox"/> (4) Subscription fees      |
| <input checked="" type="checkbox"/> (2) Hourly charges                               | <input checked="" type="checkbox"/> (5) Commissions |
| <input checked="" type="checkbox"/> (3) Fixed fees (not including subscription fees) | <input checked="" type="checkbox"/> (6) Other       |

D. For each checked box in A above, describe on Schedule F:

- the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee
- applicant's basic fee schedule, how fees are charged and whether its fees are negotiable
- when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

2. **Types of clients** - Applicant generally provides investment advice to: (check those that apply)

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> A. Individuals                      | <input checked="" type="checkbox"/> E. Trusts, estates, or charitable organizations                    |
| <input type="checkbox"/> B. Banks or thrift institutions                | <input checked="" type="checkbox"/> F. Corporations or business entities other than those listed above |
| <input type="checkbox"/> C. Investment companies                        | <input type="checkbox"/> G. Other (describe on Schedule F)   |
| <input checked="" type="checkbox"/> D. Pension and profit sharing plans |  |

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

**FORM ADV****Part II - Page 3**

Applicant:

**Iwamoto Kong**

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801- **55371**

Date:

**03/21/07****3. Types of Investments.** Applicant offers advice on the following: (check those that apply)

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> A. Equity securities  | <input checked="" type="checkbox"/> H. United States government securities |
| <input checked="" type="checkbox"/> (1) exchange-listed securities                                |  |
| <input checked="" type="checkbox"/> (2) securities traded over-the-counter                        | I. Options contracts on:   |
| <input checked="" type="checkbox"/> (3) foreign issues  | <input checked="" type="checkbox"/> (1) securities                         |
|   | <input type="checkbox"/> (2) commodities                                   |
| <input checked="" type="checkbox"/> B. Warrants   | J. Futures contracts on:   |
|   | <input type="checkbox"/> (1) tangibles                                     |
| <input checked="" type="checkbox"/> C. Corporate debt securities<br>(other than commercial paper) | <input type="checkbox"/> (2) intangibles                                   |
| <input checked="" type="checkbox"/> D. Commercial paper   | K. Interests in partnerships investing in:                                 |
|   | <input checked="" type="checkbox"/> (1) real estate                        |
| <input checked="" type="checkbox"/> E. Certificates of deposit                                    | <input type="checkbox"/> (2) oil and gas interests                         |
| <input checked="" type="checkbox"/> F. Municipal securities                                       | <input type="checkbox"/> (3) other (explain on Schedule F)                 |
| G. Investment company securities:   | <input type="checkbox"/> L. Other (explain on Schedule F)                  |
| <input checked="" type="checkbox"/> (1) variable life insurance                                   |  |
| <input checked="" type="checkbox"/> (2) variable annuities  |  |
| <input checked="" type="checkbox"/> (3) mutual fund shares  |  |

**4. Methods of Analysis, Sources of Information, and Investment Strategies.**

## A. Applicant's security analysis methods include: (check those that apply)

- |   |  |
|---|--|
| (1) <input type="checkbox"/> Charting               | (4) <input type="checkbox"/> Cyclical                      |
| (2) <input checked="" type="checkbox"/> Fundamental | (5) <input type="checkbox"/> Other (explain on Schedule F) |
| (3) <input checked="" type="checkbox"/> Technical   |  |

## B. The main sources of information applicant uses include: (check those that apply)

- |   |  |
|---|--|
| (1) <input checked="" type="checkbox"/> Financial newspapers and magazines    | (5) <input checked="" type="checkbox"/> Timing services  |
| (2) <input type="checkbox"/> Inspections of corporate activities              | (6) <input checked="" type="checkbox"/> Annual reports, prospectuses, filings with the<br>Securities and Exchange Commission |
| (3) <input checked="" type="checkbox"/> Research materials prepared by others | (7) <input checked="" type="checkbox"/> Company press releases   |
| (4) <input checked="" type="checkbox"/> Corporate rating services             | (8) <input type="checkbox"/> Other (explain on Schedule F)   |

## C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)

- |  |   |
|--|---|
| (1) <input checked="" type="checkbox"/> Long term purchases<br>(securities held at least a year) | (5) <input checked="" type="checkbox"/> Margin transactions   |
| (2) <input checked="" type="checkbox"/> Short term purchases<br>(securities sold within a year)  | (6) <input checked="" type="checkbox"/> Option writing, including covered options, uncovered<br>options or spreading strategies |
| (3) <input checked="" type="checkbox"/> Trading (securities sold within 30 days)                 | (7) <input type="checkbox"/> Other (explain on Schedule F)  |
| (4) <input checked="" type="checkbox"/> Short sales  |   |

**Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).**

**FORM ADV****Part II - Page 4**

Applicant:

**Iwamoto Kong**

SEC File Number:

801-55371

Date:

**03/21/07****5. Education and Business Standards.**

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients? . . . . .

Yes No  
☒ ☐

(If yes, describe these standards on Schedule F.)

**6. Education and Business Background.**

For:

- each member of the investment committee or group that determines general investment advice to be given to clients, or
- if the applicant has no investment committee or group, each individual who determines general investment advice given to clients (if more than five, respond only for their supervisors)
- each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

- |                 |  |
|-----------------|--|
| • name          | • formal education after high school               |
| • year of birth | • business background for the preceding five years |

**7. Other Business Activities.** (check those that apply)

- ☐ A. Applicant is actively engaged in a business other than giving investment advice.
- ☐ B. Applicant sells products or services other than investment advice to clients.
- ☐ C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.

(For each checked box describe the other activities, including the time spent on them, on Schedule F.)

**8. Other Financial Industry Activities or Affiliations.** (check those that apply)

- ☐ A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- ☐ B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:
- |  |  |
|--|--|
| <input checked="" type="checkbox"/> (1) broker-dealer  | <input type="checkbox"/> (7) accounting firm                                       |
| <input type="checkbox"/> (2) investment company  | <input type="checkbox"/> (8) law firm  |
| <input type="checkbox"/> (3) other investment adviser  | <input checked="" type="checkbox"/> (9) insurance company or agency                |
| <input type="checkbox"/> (4) financial planning firm   | <input type="checkbox"/> (10) pension consultant                                   |
| <input type="checkbox"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant | <input type="checkbox"/> (11) real estate broker or dealer                         |
| <input type="checkbox"/> (6) banking or thrift institution   | <input type="checkbox"/> (12) entity that creates or packages limited partnerships |

(For each checked box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)

- D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest?.....

Yes No  
☐ ☒

(If yes, describe on Schedule F the partnerships and what they invest in.)

**Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).**

## FORM ADV

## Part II - Page 5

Applicant:

Iwamoto Kong

SEC File Number:

801- 55371

Date:

03/21/07

**9. Participation or Interest in Client Transactions.**

Applicant or a related person: (check those that apply)

- ☐ A. As principal, buys securities for itself from or sells securities it owns to any client.
- ☒ B. As broker or agent effects securities transactions for compensation for any client.
- ☐ C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.
- ☒ D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- ☒ E. Buys or sells for itself securities that it also recommends to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

- 10. Conditions for Managing Accounts.** Does the applicant provide investment supervisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services *and* impose a minimum dollar value of assets or other conditions for starting or maintaining an account? . . . . .

Yes No  
☒ ☐

(If yes, describe on Schedule F.)

- 11. Review of Accounts.** If applicant provides investment supervisory services, manages investment advisory accounts, or holds itself out as providing financial planning or some similarly termed services:

- A. Describe below the reviews and reviewers of the accounts. **For reviews**, include their frequency, different levels, and triggering factors. **For reviewers**, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.

**Advisor will review each investment supervisory client's account on at least a quarterly basis, depending on the particular client's situation, and call each client as needed. Particular attention is paid to a client's investment position and the tax consequences of those positions. Advisor's President and the firm's financial managers are the only persons associated with the applicant who make recommendations regarding investments, and they manage all accounts and determine all investment advisory policy. The review will cover as much area as the advisor feels indicated under the circumstances, but should normally include the following items: tax and estate planning, insurance, investments, pensions and profit-sharing, possibly real estate, etc.**

- B. Describe below the nature and frequency of regular reports to clients on their accounts.

**Advisor utilizes a computer program to download information from institutional programs and to generate quarterly and other reports for investment advisory clients. The work is done by the persons mentioned above utilizing a computer to update account values and print the various reports. Advisor furnishes clients print-outs of their quarterly positions and annual year-end statements. Clients also receive monthly, quarterly and yearly reports on their accounts with their custodial broker-dealer from that broker-dealer.**

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

**FORM ADV****Part II - Page 6**

Applicant:

**Iwamoto Kong**

SEC File Number:

801-55371

Date:

**03/21/07****12. Investment or Brokerage Discretion.**

A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:

(1) securities to be bought or sold? . . . . .

Yes No

☒ ☐

(2) amount of the securities to be bought or sold ? . . . . .

Yes No

☒ ☐

(3) broker or dealer to be used ? . . . . .

Yes No

☒ ☐

(4) commission rates paid? . . . . .

Yes No

☐ ☒

B. Does applicant or a related person suggest brokers to clients? . . . . .

Yes No

☒ ☐

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4) or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

- the products, research and services
- whether clients may pay commissions higher than those obtainable from other brokers in return for those products and services
- whether research is used to service all of applicant's accounts or just those accounts paying for it; and
- any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for products and research services received.

**13. Additional Compensation.**

Does the applicant or a related person have any arrangements, oral or in writing, where it:

A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients? . . . . .

Yes No

☒ ☐

B. directly or indirectly compensates any person for client referrals? . . . . .

Yes No

☒ ☐

(For each yes, describe the arrangements on Schedule F.)

**14. Balance Sheet.** Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

- has custody of client funds or securities unless applicant is registered or registering only with the Securities and Exchange Commission; or
- requires prepayment of more than \$500 in fees per client and 6 or more months in advance

Has applicant provided a Schedule G balance sheet? . . . . .

Yes No

☐ ☒**Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).**

**Schedule F of  
Form ADV**

**Continuation Sheet for Form ADV Part II**

Applicant:

**Iwamoto Kong**

SEC File Number:

**801- 55371**

Date:

**09/28/07**

Item of Form (identify)	Answer
General:	<p>Each investment advisory client will be given a copy of Part II of Form ADV, including Schedule F, or a brochure containing similar information.</p> <p>Clients are under no obligation to act on Iwamoto Kong's (IKCO's) recommendations. Furthermore, if clients elect to act on any of IKCO's recommendations, they are under no obligation to effect any transactions through IKCO, through any employing broker-dealer or insurance company, through any particular broker-dealer or insurance company, or through any associated person.</p> <p>IKCO will take a limited power of attorney from certain investment advisory clients to execute transactions. Under no circumstances will IKCO take custody of funds, securities or any other assets of its clients.</p> <p>IKCO does have a written contract for use with investment advisory clients. IKCO's only investment advisory services will be limited to those services described in its application. Fees will not be charged six months or more in advance. Fees are negotiable.</p>
1.A.(1) 1.A.(2) 1.A.(3) 1.A.(7)	<p>Either party may terminate a contract by ten business days' written notice to the other delivered either personally or by mail.</p> <p>1.A.(1) and 1.A.(2): client may terminate contract at any time.</p> <p>1.A.(3) and 1.A.(7): client may terminate without penalty by written notice within ten business days of client's signing the contract. There will be a prorata charge for advisory services actually rendered and for out-of-pocket expenses. Upon termination, IKCO will summarize all work done, and client shall have access to work done up to that point.</p>
1.A.(1) 1.A.(2)	<p>For certain clients IKCO may furnish investment supervisory services and other similar services in the following manner (subject to client's prior acceptance): IKCO will monitor client's situation periodically throughout the year and call client as necessary. IKCO will also review account quarterly and annually to go into client's situation in greater depth. IKCO will take a limited power of attorney from certain advisory clients to effect transactions.</p>
1.A.(1) 1.A.(2) 1.A.(3) 1.A.(7)	<p>IKCO, as part of its investment advice or recommendations, may recommend or select mutual funds for clients' investments. In addition to any fees IKCO charges, if client assets are invested in mutual funds those funds themselves may charge the clients various management and other fees or charges.</p>
1.A.(1) 1.A.(2)	<p>For certain of these clients, each client will be billed quarterly in arrears for this type of service. Fees are based on the following Yearly Fee Schedule (prorated for the actual length of time services are provided):</p>

**Complete amended pages in full, circle amended items and file with execution page (page 1).**

**Schedule F of  
Form ADV**

**Continuation Sheet for Form ADV Part II**

Applicant:	SEC File Number:	Date:
<b>Iwamoto Kong</b>	801- 55371	<b>09/28/07</b>

Item of Form (identify)	Answer										
1.A.(1) 1.A.(2)	<p>YEARLY FEE SCHEDULE for Investment Management Services (prorated quarterly and based on the portfolio balance at the end of the prior quarter):</p> <table> <tr> <th><u>Quarter End Portfolio Balance</u></th><th><u>Annual Fee Percentage</u></th></tr> <tr> <td>\$ 500,000 - \$ 1,000,000</td><td>1.25%</td></tr> <tr> <td>Next \$ 4,000,000</td><td>1.00%</td></tr> <tr> <td>Next \$ 5,000,000</td><td>0.75%</td></tr> <tr> <td>Next \$ 10,000,000</td><td>0.50%</td></tr> </table> <p>Minimum annual fee: \$ 6,250.</p> <p>In addition to the fees charged by Iwamoto, Kong for its services, if clients are invested in mutual funds each of those funds will charge the clients management fees and other expenses, and therefore those clients who have assets invested in those mutual funds will additionally be paying their proportionate share of those funds' management fees and other expenses.</p>	<u>Quarter End Portfolio Balance</u>	<u>Annual Fee Percentage</u>	\$ 500,000 - \$ 1,000,000	1.25%	Next \$ 4,000,000	1.00%	Next \$ 5,000,000	0.75%	Next \$ 10,000,000	0.50%
<u>Quarter End Portfolio Balance</u>	<u>Annual Fee Percentage</u>										
\$ 500,000 - \$ 1,000,000	1.25%										
Next \$ 4,000,000	1.00%										
Next \$ 5,000,000	0.75%										
Next \$ 10,000,000	0.50%										
1.A.(1) 1.A.(2)	<p>Iwamoto, Kong performs block stock and fixed income trades for client accounts held at Schwab Institutional to obtain more favorable pricing and better execution on buy and sell transactions. Block trades are placed only after pre-allocating share quantities in each participating client account. Pre-allocation quantities are based upon each individual portfolio's circumstances including client risk tolerance, stated investment objectives and tax situation. On partial fills, the firm's aggregation policy is to pro-rate the number of shares to each participating account accordingly on an equal percentage basis. An exception to a straight pro-ration on partial executions may occur under certain circumstances where shares are allocated to one account over another account when building a new position versus adding to an existing position. In all cases of either full or partial executions, all affected accounts will receive the same average price obtained in the block transaction.</p>										
1.A.(1) 1.A.(2)	<p>Iwamoto, Kong maintains Prime Brokerage relationships with other outside brokerage firms. Security buy and sell transactions may be placed with these firms to obtain more favorable pricing and to access a wider range of investment choices. Client accounts must be pre-approved by written consent of the client to execute prime broker trades.</p>										
1.A.(2)	<p>On occasion, IKCO provides investment consulting services for a negotiated fee. Typically, clients who are eligible for this service have investible assets above \$2 million.</p>										

Complete amended pages in full, circle amended items and file with execution page (page 1).



**Schedule F of  
Form ADV**

**Continuation Sheet for Form ADV Part II**

Applicant:

**Iwamoto Kong**

SEC File Number:

**801- 55371**

Date:

**09/28/07**

Item of Form (identify)	Answer
1.A.(3)	IKCO may furnish investment advice in the following manner (subject to client's prior acceptance): The first meeting will be free, as it is essentially a fact-finding session. Advice will be prepared for the client for a fee of \$200-250 an hour, plus expenses. The fee for preparing the plan will be estimated by the planner and given to the client for approval before the plan is begun. One half the fee is payable when the work is authorized by the client, and the balance is due upon presentation of the completed work. If the work takes less time than estimated, the additional fee will be refunded. If additional work becomes necessary the client will be contacted for approval of the amount before it is undertaken. In all cases the client will have the option of agreeing or not before work is undertaken on his behalf. IKCO will use other professionals as necessary in working for client, with the client's prior approval.
5.	IKCO, as a standard of practice, requires that any person engaged in giving investment advice to clients must have a minimum general education requirement of a college degree and applicable industry experience, either of which may be waived in lieu of the other, or be otherwise professionally qualified. IKCO also requires that its representatives are registered with all appropriate regulatory agencies and pass all applicable required exams.
6.	<p>Education and Business Background:</p> <p>Mark K. Iwamoto, born 1962.</p> <p>Education: Pepperdine University, 1980 - 1984 and 1995 - 1997, earning a BS in Business Administration in 1984, and an MBA in Business in 1997.</p> <p>Business Background: Over twenty years experience in the financial services industry, including the following: Registered Representative with Merrill Lynch, 1985 - 1988; Account Executive with Paine Webber 1988 - 1989; Senior Financial Consultant with Fidelity Investments Brokerage Services 1989 - 1995; Investment Counselor with Pacific Alliance Capital Management (the institutional investment management division of Union Bank of California) 1995 - 1998; Registered Representative with Lincoln Financial Advisors 1998; Agent with Lincoln Financial Insurance Services 1998, Registered Representative with Cambridge Investment Research 1998 - 2003; Registered Representative with Dolphin Securities, Inc., 2003 - Present; President and CEO with Iwamoto Kong 1998 - Present.</p>

Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of  
Form ADV**

**Continuation Sheet for Form ADV Part II**

Applicant:

**Iwamoto Kong**

SEC File Number:

**801-55371**

Date:

**09/28/07**

Item of Form (identify)	Answer
6. (Continued)	<p>Education and Business Background (Continued):</p> <p>Harmon A. Kong, born 1964.</p> <p>Education: American River College, 1982 - 1984; University of Osnabrueck, Osnabrueck, 1984 - 1985; California State University, 1985 - 1987, earning a BS in Finance in 1987.</p> <p>Business Background: Over sixteen years experience in the financial services industry, including the following: Senior Financial Consultant with Fidelity Investments Brokerage Services 1989 - 1997; Retirement Consultant with Fidelity Strategic Advisors, 1997 - 1998; Registered Representative with Cambridge Investment Research 1998 - 2003; Registered Representative with Dolphin Securities, Inc., 2003 - Present; Treasurer and CFO with Iwamoto Kong 1998 - Present.</p> <p>Rhonda L. Ducote, born 1967</p> <p>Education: Fashion Institute of Design and Merchandising, 1985 and 1990, earning an AA Degree in Marketing in 1990; Orange Coast College, 1990 - 1992.</p> <p>Business Background: Registered Representative with Fidelity Brokerage Services, Inc., 1994 - 2000; Registered Representative with Cambridge Investment Research 2000 - 2003; Registered Representative with Dolphin Securities, Inc., 2003 - Present; Financial Manager with Iwamoto Kong 2000 - Present.</p> <p>Edward K. Farquhar, born 1972</p> <p>Education: Academy of Health and Sciences 1991 - 1996.</p> <p>Business Background: Co-owner of E &amp; E Restorative Care, PLLC, 1999 - 2000; Financial Planner with American Express 2000; Registered Representative with Charles Schwab &amp; Co., Inc., 2000 - 2003; Registered Representative with Dolphin Securities, Inc., 2003 - Present; Financial Manager with Iwamoto Kong 2003 - Present.</p>

Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of  
Form ADV**

**Continuation Sheet for Form ADV Part II**

Applicant:

**Iwamoto Kong**

SEC File Number:

**801-55371**

Date:

**09/28/07**

Item of Form (identify)	Answer
6. (Continued)	<p>Education and Business Background (Continued):</p> <p>Marion Anthony Jabczenski II, born 1966</p> <p>Education: Webster University, 1994 - 1996, earning an MA in Finance in 1996; Arizona State University, 1986 - 1991, earning a BS in Organizational Communications in 1991.</p> <p>Business Background: Registered Representative with Independence One Brokerage Services, Inc., 1993 - 1995; Registered Representative with Glenfed Brokerage Services, 1995; Registered Representative with Fidelity Brokerage Services, Inc., 1995 - 1998; Registered Representative with Quick &amp; Reilly, Inc., 1998 - 1999; Registered Representative with Fidelity Investments, 1999 - 2005; Investment Adviser Representative with Fuller Asset Management, LLC, 2005 - 2006; Registered Representative with Dolphin Securities, Inc., 2006 - Present; Financial Manager and Chief Economist with Iwamoto Kong 2006 - Present.</p> <p>Benjamin C. Lau, born 1976</p> <p>Education: University of California San Diego, 1994 - 1998, earning a BA in Economics in 1998.</p> <p>Business Background: Registered Representative with Fidelity Brokerage Services, Inc., 1998 - 2002; Registered Representative with Cambridge Investment Research, Inc., 2002 - 2003; Registered Representative with Dolphin Securities, Inc., 2003 - Present; Financial Manager with Iwamoto Kong 2002 - Present.</p> <p>Megan C. Pierpont born 1974</p> <p>Education: University of California Riverside, 1992 - 1996, earning a BA in Psychology in 1996.</p> <p>Business Background: Registered Representative with Nationwide Investment Services Corporation, 1996 - 1998; Sales Representative with Nationwide Life Insurance Company, 1996 - 2003; Financial Representative with Fidelity Investments, 1998 - 2003; Registered Representative with Dolphin Securities, Inc., 2003 - Present; Financial Manager with Iwamoto Kong 2003 - Present.</p>

Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of  
Form ADV**

**Continuation Sheet for Form ADV Part II**

Applicant:	SEC File Number:	Date:
Iwamoto Kong	801- 55371	09/28/07

Item of Form (identify)	Answer
8.C.(1) 8.C.(9) 9.B.	IKCO's investment advisory personnel are also registered representatives with Dolphin Securities, Inc., a registered securities broker-dealer. To provide clients with alternative financial vehicles to accomplish their planning objectives, on occasion associated persons of IKCO may receive compensation by offering other financial products not related to investment management services when appropriate to accomplishing clients' overall financial objectives. The investments offered include common and preferred stocks, US Government securities, mortgage-backed securities, corporate and municipal bonds, zero coupon bonds, certificates, options, annuities, insurance products, 401(k) plans and other retirement plans. There would be a brokerage charge for such products, and those persons would then receive commissions on certain investments clients may make. The products offered through this arrangement will be the same as investments offered currently by other brokerage and insurance firms, and commissions will be those common in the industry. While such relationships present a conflict of interest because persons associated with IKCO will be receiving advisory fees while at the same time they may also be receiving commissions, any situations that may reasonably be expected to result in conflicts of interest will be at all times fully disclosed to clients.
9.D. 9.E.	IKCO's personnel may, at various times, buy or sell securities for investment advisory clients or others as agents. IKCO may also recommend the purchase or sale of securities in which it or persons associated with IKCO may have a position, or those persons may purchase or sell securities that have been recommended to clients. Personal securities transactions of the principals and employees of Iwamoto Kong are only placed at the same time or subsequent to client trades.
10.	For existing clients IKCO generally requires a minimum account size of \$ 250,000 to maintain an account under item 1.A.(1). For new accounts, IKCO generally requires a minimum account size of \$ 500,000 to open or maintain an account under item 1.A.(1).
12.A.(1) 12.A.(2) 12.A.(3)	IKCO will obtain from certain clients limited powers of attorney to effect certain types of trades, subject to limitations specified by the clients. For such trades IKCO will direct the selection of the brokers and the execution of the trades unless the limited power of attorney expressly designates some other arrangement.
12.B.	IKCO suggests discount brokers for the service described on a Previous page under 1.A.(1) based upon the size of commission discounts when compared to full service brokers, and IKCO's opinion of the relative quality of service, types of reports and other materials furnished to clients and IKCO by the brokers and the stability afforded by the recommended broker's financial strength and general reputation in the investment community.

Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of  
Form ADV**

**Continuation Sheet for Form ADV Part II**

Applicant:

**Iwamoto Kong**

SEC File Number:

**801- 55371**

Date:

**09/28/07**

Item of Form (identify)	Answer
12.B. 13.A.	<p>IKCO may recommend that clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab &amp; Co., Inc. (Schwab), a registered broker-dealer, Member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. IKCO is independently owned and operated and not affiliated with Schwab. Schwab provides IKCO with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of an advisor's clients' assets are maintained at Schwab Institutional and are not otherwise contingent upon IKCO committing to Schwab any specific amount of business (assets in custody or trading). Schwab services include, brokerage, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.</p> <p>For IKCO's client accounts maintained in its custody, Schwab generally does not charge separately for custody but is compensated by account holders through commissions or other transaction-related fees for securities trades that are executed through Schwab or that settle into Schwab accounts.</p> <p>Schwab Institutional also makes available to IKCO other products and services that benefit IKCO but may not benefit its clients' accounts. Some of these other products and services assist IKCO in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of IKCO's fees from its clients' accounts, and assist with back-office functions, record keeping and client reporting. Many of these services generally may be used to service all or a substantial number of IKCO's accounts, including accounts not maintained at Schwab Institutional. Schwab Institutional also makes available to IKCO other services intended to help IKCO manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing. In addition, Schwab may make available, arrange and/or pay for these types of services rendered to IKCO by independent third parties. Schwab Institutional may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to IKCO. While as a fiduciary, IKCO endeavors to act in its clients' best interests, IKCO's recommendation that clients maintain their assets in accounts at Schwab may be based in part on the benefit to IKCO of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.</p>

**Complete amended pages in full, circle amended items and file with execution page (page 1).**

**Schedule F of  
Form ADV**

**Continuation Sheet for Form ADV Part II**

Applicant:

**Iwamoto Kong**

SEC File Number:

**801- 55371**

Date:

**09/28/07**

Item of Form (identify)	Answer
13.A	A company may provide for and pay for investment advice for its Employees; also, under ERISA rules, either a company or a plan may pay for investment advice, as determined by the ERISA plan documents.
13.B.	<p>Advisor may at times receive referrals of clients from various persons ("solicitors"). These solicitors will give clients so referred Part II of advisor's Form ADV or advisor's brochure, plus a separate solicitor's referral disclosure statement in writing that will, among other things, disclose to the client the terms and fee arrangements that will be used to compensate the solicitor by the advisor for such referrals. There will be no additional cost to clients for these referrals.</p> <p>IKCO receives client referrals from Charles Schwab &amp; Co., Inc. ("Schwab") through IKCO's participation in Schwab Advisor Network™ ("the Service"). The Service is designed to help investors find an independent investment advisor. Schwab is a broker-dealer independent of and unaffiliated with IKCO. Schwab does not supervise Advisor and has no responsibility for IKCO's management of clients' portfolios or Advisor's other advice or services. IKCO pays Schwab fees to receive client referrals through the Service. IKCO's participation in the Service may raise potential conflicts of interest described below.</p> <p>IKCO pays Schwab a Participation Fee on all referred clients' accounts that are maintained in custody at Schwab and a Non-Schwab Custody Fee on all accounts that are maintained at, or transferred to, another custodian. The Participation Fee paid by IKCO is a percentage of the value of the assets in the client's account. IKCO pays Schwab the Participation Fee for so long as the referred client's account remains in custody at Schwab. The Participation Fee is billed to IKCO quarterly and may be increased, decreased or waived by Schwab from time to time. The Participation Fee is paid by IKCO and not by the client. IKCO has agreed not to charge clients referred through the Service fees or costs greater than the fees or costs IKCO charges clients with similar portfolios who were not referred through the Service.</p> <p>IKCO generally pays Schwab a Non-Schwab Custody Fee if custody of a referred client's account is not maintained by, or assets in the account are transferred from Schwab. This Fee does not apply if the client was solely responsible for the decision not to maintain custody at Schwab. The Non-Schwab Custody Fee is a one-time payment equal to a percentage of the assets placed with a custodian other than Schwab. The Non-Schwab Custody Fee is higher than the Participation Fees Advisor generally would pay in a single year. Thus, IKCO will have an incentive to recommend that client accounts be held in custody at Schwab.</p>

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**Schedule F of  
Form ADV**

**Continuation Sheet for Form ADV Part II**

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**Iwamoto Kong**

SEC File Number:

**801- 55371**

Date:

**09/28/07**

Item of Form (identify)	Answer
13.B. (Continued)	<p>The Participation and Non-Schwab Custody Fees will be based on assets in accounts of IKCO's clients who were referred by Schwab and those referred clients' family members living in the same household. Thus, IKCO will have incentives to encourage household members of clients referred through the Service to maintain custody of their accounts and execute transactions at Schwab and to instruct Schwab to debit IKCO's fees directly from the accounts.</p> <p>For accounts of IKCO's clients maintained in custody at Schwab, Schwab will not charge the client separately for custody but will receive compensation from IKCO's clients in the form of commissions or other transaction-related compensation on securities trades executed through Schwab. Schwab also will receive a fee (generally lower than the applicable commission on trades it executes) for clearance and settlement of trades executed through broker-dealers other than Schwab. Schwab's fees for trades executed at other broker-dealers are in addition to the other broker-dealer's fees. Thus, IKCO may have an incentive to cause trades to be executed through Schwab rather than another broker-dealer. IKCO nevertheless, acknowledges its duty to seek best execution of trades for client accounts. Trades for client accounts held in custody at Schwab may be executed through a different broker-dealer than trades for IKCO's other clients. Thus, trades for accounts custodied at Schwab may be executed at different times and different prices than trades for other accounts that are executed at other broker-dealers.</p>

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