

**Part 2A of Form ADV: *Firm Brochure***

**Financial Directions LLC**

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12/31/2010

This brochure provides information about the qualifications and business practices of Financial Directions LLC. If you have any questions about the contents of this brochure, please contact us at 520-408-7777 or [mary@financialdirectionsllc.com](mailto:mary@financialdirectionsllc.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 Directions LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 108475.

## **Item 2    Material Changes**

The SEC adopted "Amendments to Form ADV" in July, 2010. This Firm Brochure, dated 12/31/2010, is our new disclosure document prepared according to the SEC's new requirements and rules. As you will see, this document is a narrative that is substantially different in form and content, and includes some new information that we were not previously required to disclose.

After our initial filing of this Brochure, this Item will be used to provide our clients with a summary of new and/or updated information. We will inform you of the revision(s) based on the nature of the updated information.

Consistent with the new rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

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## **Item 4    Advisory Business**

Financial Directions LLC is a SEC-registered investment adviser with its principal place of business located in Tucson, AZ. Financial Directions LLC began conducting business in 1996.

Listed below are the firm's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of this company).

- Stan W Spackeen, Managing Member
- Frank B Griffith, Member

Financial Directions LLC offers the following advisory services to our clients:

### **INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL PORTFOLIO MANAGEMENT**

Our firm provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal investment policy and create and manage a portfolio based on that policy. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client's prior investment history, as well as family composition and background.

We manage these advisory accounts on a discretionary basis. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations.

Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding the following securities:

- Exchange-listed securities
- Securities traded over-the-counter
- Foreign issuers
- Corporate debt securities (other than commercial paper)
- Certificates of deposit
- Municipal securities

- Variable annuities
- Mutual fund shares
- United States governmental securities
- Interests in partnerships investing in real estate
- Interests in partnerships investing in oil and gas interests
- Interests in partnerships investing in other alternatives, including equipment leasing programs, commodities trading, and timber.

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability. Many alternative investments are Reg D or private offerings. These programs can only be offered to qualified or accredited investors as designated in the subscription documents. Initial suitability of a company's offerings is screened through Triad Advisors. After initial suitability screening it is incumbent on Financial Directions and its personnel to review specific qualifications and risks with a client prior to investment.

In addition to individual advisory accounts our firm has established a retirement trust entitled Financial Directions LLC Retirement Savings Trust 403(b). The program is a platform of no-load or load waived mutual funds and model asset allocation portfolios selected and monitored by Financial Directions. The current custodian is TD Ameritrade and the current recordkeeper is Professional Capital Services (PCS). PCS was founded by a 70 year old law firm based in Philadelphia to provide sophisticated retirement programs for corporate, professional, and governmental entities. PCS specializes in creating customized 401(k), 403(b), profit sharing, and executive level non-qualified compensation programs.

Each model portfolio is designed to meet a particular investment goal.

**Principal Conservation Model Portfolio:** designed for risk averse or participants nearing retirement who want bond weighted investments to limit downside market volatility.

**Conservative Balanced Model Portfolio:** designed for risk averse participants who want a mix of stocks and bonds to limit downside market volatility.

**Growth Model Portfolio:** designed for participants focused on long-term growth potential with a mainly equity portfolio.

**Aggressive Growth Model Portfolio:** designed for aggressive long-term growth through an equity portfolio with a mix of domestic and international stocks.

We manage these models on a discretionary basis. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations.

Through personal discussions with the client in which the client's goals and objectives are established, we determine if one of the model portfolios is suitable to the client's circumstances. Once we determine the suitability of the portfolio, the portfolio is managed based on the portfolio's goal, rather than on each client's individual needs. Clients, nevertheless, have the opportunity to place reasonable restrictions on the types of investments to be held in their account. Clients retain individual ownership of all securities.

Our investment recommendations are not limited to any specific product or service offered by a broker dealer or insurance company and will generally include advice regarding the following securities:

To ensure that our initial determination of an appropriate portfolio remains suitable and that the account continues to be managed in a manner consistent with the client's financial circumstances, we will:

1. at least annually, contact each participating client to determine whether there have been any changes in the client's financial situation or investment objectives, and whether the client wishes to impose investment restrictions or modify existing restrictions;
2. be reasonably available to consult with the client; and
3. maintain client suitability information in each client's file.

### **AMOUNT OF MANAGED ASSETS**

As of 12/31/2010, we were actively managing \$137,428,796 of clients' assets on a discretionary basis.

## **Item 5 Fees and Compensation**

### **INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL PORTFOLIO MANAGEMENT FEES**

The annualized fee for Investment Supervisory Services is charged as a percentage of assets under management, hourly, or retainer. Services charged as assets under management are according to the following schedule:

<u>Assets Under Management</u>	<u>Maximum Annual Fee</u>	<u>Typical Fee</u>
\$0 – 250,000	1.50%	1.00%
\$250,001 – 500,000	1.25%	1.00%
\$500,001 – 1,000,000	1.00%	.7-1.00%
\$1,000,000+	Negotiable	Negotiable

Our fees are billed quarterly, in advance, based on the fair market value of the account at the end of the quarter, or as of the last Friday of the quarter if the quarter ends on a weekend or holiday. Fees are debited from the account in accordance with the client authorization in the Investment Advisory Agreement. Notification of fee debit is provided to the client. In the event the account does not contain a sufficient cash balance to cover the fee we can liquidate

sufficient investment shares held in the account to cover the fee, or adjust the fee accordingly. Initial or additional funds or transfers into the account during the quarter do not incur fees until the next regular quarterly billing cycle. (See Termination below.)

Accounts in the Financial Directions LLC Retirement Savings Trust 403(b) may be charged administrative and custodial fees on a quarterly basis. An administrative fee may be assessed on accounts under a pre-determined minimum account value at the quarter ending date. The current fee is \$7.50 per quarter for any account value at or below \$50,000. This fee is deducted directly from affected accounts. Other administrative and custodial fees are currently paid by Financial Directions. Any fees recouped from mutual fund investments are directly offset against these fees.

**Limited Negotiability of Advisory Fees:** Although Financial Directions LLC has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition, reports, among other factors. The specific fee schedule is identified in the Investment Advisory Agreement between the adviser and each client.

We may group certain related client accounts for the purposes of achieving the minimum account size requirements and determining the annualized fee.

Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm.

Management personnel and other related persons of our firm are licensed as registered representatives of a broker-dealer and/or licensed as insurance agents or brokers. In their separate capacity, these individuals are able to implement investment recommendations for advisory clients for separate and typical compensation (i.e., commissions, 12b-1 fees or other sales-related forms of compensation). This presents a conflict of interest to the extent that these individuals recommend that a client invest in a security which results in a commission being paid to the individual. Clients are not under any obligation to engage these individuals when considering implementation of advisory recommendations. The implementation of any or all recommendations is solely at the discretion of the client.

## GENERAL INFORMATION

**Termination of the Advisory Relationship:** A client agreement may be canceled at any time, by either party, for any reason upon written notice. As disclosed above, certain fees are paid in advance of services provided. If a termination notice is received from the client before fees are deducted for the quarter then no fee will be charged. If full, partial, or periodic distributions are made during the quarter no fee adjustment is made.

**Mutual Fund Fees:** All fees paid to Financial Directions LLC for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or

deferred sales charge. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

***Additional Fees and Expenses:*** In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and broker dealers, including, but not limited to, transaction charges, termination fees, and trading commissions, when either an independent investment manager or client effects transactions in the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

***Grandfathering of Account Requirements:*** Pre-existing advisory clients are subject to Financial Directions LLC's account requirements and advisory fees in effect at the time the client entered into the advisory relationship. Therefore, our firm's account requirements may differ among clients.

***ERISA Accounts:*** Financial Directions LLC is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act (ERISA), and regulations under the Internal Revenue Code of 1986 (the Code). As such, our firm is subject to specific duties and obligations that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, Financial Directions may only charge fees for investment advice about products for which our firm or related persons do not receive any commissions or 12b-1 fees, or conversely, investment advice about products for which our firm or related persons receive commissions or 12b-1 fees, only when such fees are used to offset Financial Directions' account fees.

***Advisory Fees in General:*** Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

***Limited Prepayment of Fees:*** Under no circumstances do we require or solicit payment of fees in excess of \$1200 more than six months in advance of services rendered.

## **Item 6 Performance-Based Fees and Side-By-Side Management**

Financial Directions LLC does not charge performance-based fees.

## **Item 7 Types of Clients**

Financial Directions LLC provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals



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

### METHODS OF ANALYSIS

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

**Fundamental Analysis.** We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

**Technical Analysis.** We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement.

Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

**Cyclical Analysis.** In this type of technical analysis, we measure the movements of a particular stock against the overall market in an attempt to predict the price movement of the security.

**Asset Allocation.** Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance.

A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

**Mutual Fund and/or ETF Analysis.** We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing

to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

**Risks for all forms of analysis.** Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

## **INVESTMENT STRATEGIES**

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:

**Long-term purchases.** We purchase securities with the idea of holding them in the client's account for a year or longer. Typically we employ this strategy when:

- we believe the securities to be currently undervalued, and/or
- we want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

**Short-term purchases.** When utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

**Margin transactions.** If an account is pre-approved for margin we can purchase stocks for your portfolio with money borrowed from your brokerage account. This allows you to purchase more stock than you would be able to with your available cash, and allows us to purchase stock without selling other holdings.

**Risk of Loss.** Securities investments are not guaranteed and you may lose money on your investments. We ask that you work with us to help us understand your tolerance for risk.

## **Item 9    Disciplinary Information**

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Our firm and our management personnel have no reportable disciplinary events to disclose.

## **Item 10    Other Financial Industry Activities and Affiliations**

Personnel of Financial Directions LLC are separately licensed as registered representatives of Triad Advisors Inc, an affiliated broker-dealer. These individuals, in their separate capacity, can effect securities transactions through Triad for which they will receive separate, yet customary compensation.

Financial Directions LLC endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment adviser. Clients should be aware that the differing structures of compensation can create a conflict of interest and may affect the decision of these individuals when making recommendations.

. We take the following steps to address this conflict:

- we disclose to clients the existence of all material conflicts of interest, including the potential for our firm to earn compensation from advisory clients in addition to our firm's advisory fees;
- we disclose to clients that they are not obligated to purchase recommended investment products from our employees or affiliated companies;
- we collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
- our firm's management conducts regular reviews of random client accounts and new accounts to verify that recommendations made to a client are suitable to the client's needs and circumstances;
- we require that our advisors seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
- we periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm; and
- we educate our advisors regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

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

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our personnel, including compliance with applicable federal securities laws.

Financial Directions LLC and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions.

Our Code of Ethics further includes the firm's privacy policy prohibiting the use of material non-public information. All personnel are reminded that such information may not be used in a personal or professional capacity. We do not publicly publish, distribute, or market non-public identifiable information.

A copy of our Code of Ethics and annual privacy notice is available to our advisory clients and prospective clients on our website [www.financialdirectionsllc.com](http://www.financialdirectionsllc.com) or upon request.

Financial Directions LLC and individuals associated with our firm are prohibited from engaging in principal transactions.

Financial Directions LLC and individuals associated with our firm are prohibited from engaging in agency cross transactions.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our personnel will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing personnel to invest for their own accounts.

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain securities which may also be recommended to a client.

It is the policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such

employee(s) from benefiting from transactions placed on behalf of advisory accounts.

As these situations represent actual or potential conflicts of interest to our clients, we have established the following policies and procedures for implementing our firm's Code of Ethics, to ensure our firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

1. No principal or employee of our firm may put his or her own interest above the interest of an advisory client.
2. No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.
3. It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account. This prevents such employees from benefiting from transactions placed on behalf of advisory accounts.
4. Our firm requires prior approval for any IPO or private placement investments by related persons of the firm.
5. We maintain a list of all reportable securities holdings for our firm and anyone associated with this advisory practice that has access to advisory recommendations ("access person"). These holdings are reviewed on a regular basis by our firm's Chief Compliance Officer or his/her designee.
6. We have established procedures for the maintenance of all required books and records.
7. All clients are fully informed that related persons may receive separate commission compensation when effecting transactions during the implementation process.
8. Clients can decline to implement any advice rendered, except in situations where our firm is granted discretionary authority.
9. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
10. We require delivery and acknowledgement of the Code of Ethics by each supervised person of our firm.
11. We have established policies requiring the reporting of Code of Ethics violations to our senior management.
12. Any individual who violates any of the above restrictions may be subject to termination.

As disclosed in the preceding section of this Brochure (Item 10), related persons of our firm are separately registered as securities representatives of a broker-dealer. Please refer to Item 10 for a detailed explanation of these relationships and important conflict of interest

disclosures.

## **Item 12 Brokerage Practices**

Clients give us discretionary authority when they sign the Investment Advisory Agreement with our firm, and may limit this authority by giving us written instructions. Clients may also change/amend such authority by once again providing us with written instructions.

As a matter of policy and practice, Financial Directions LLC does not generally block client trades and, therefore, we implement client transactions separately for each account. Consequently, certain client trades may be executed before others, at a different price and/or commission rate. Additionally, our clients may not receive volume discounts available to advisers who block client trades.

Financial Directions LLC has an arrangement with National Financial Services LLC, and Fidelity Brokerage Services LLC ("Fidelity") through which Fidelity provides our firm with their "platform" services. The platform services include brokerage, custodial, administrative support, record keeping and related services that are intended to support intermediaries like Financial Directions LLC in conducting business and in serving the best interests of our clients but that may also benefit us.

Fidelity charges brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transactions fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). Fidelity enables Financial Directions LLC to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. Fidelity's commission rates are generally considered discounted from customary retail commission rates. However, the commissions and transaction fees charged by Fidelity may be higher or lower than those charged by other custodians and broker-dealers. As part of the arrangement, Fidelity also makes available to our firm, at no additional charge to us, certain research and brokerage services, including research services obtained by Fidelity directly from independent research companies. These research and brokerage services presently include services such as WealthCentral Fidelity's account management platform, screening and research by Morningstar, and webcasts on financial updates. They are used by our firm to manage accounts for which we have investment discretion.

As a result of receiving such services for no additional cost, we may have an incentive to continue to use or expand the use of Fidelity's services. We examined this potential conflict of interest when we chose to enter into the relationship with Fidelity and have determined that the relationship is in the best interests of Financial Directions LLC's clients and satisfies our client obligations, including our duty to seek best execution. A client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where we determine in good faith that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and

responsiveness. Accordingly, while Financial Directions LLC will seek competitive rates, to the benefit of all clients, we may not necessarily obtain the lowest possible commission rates for specific client account transactions. Although the investment research products and services that may be obtained by us will generally be used to service all of our clients, a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that specific client's account. Financial Directions LLC and Fidelity are not affiliated and no broker-dealer affiliated with us is involved in the relationship between Financial Directions LLC and Fidelity.

## **Item 13    Review of Accounts**

### **INVESTMENT SUPERVISORY SERVICES INDIVIDUAL PORTFOLIO MANAGEMENT**

*REVIEWS:* While the underlying securities within Individual Portfolio Management Services accounts are continually monitored, these accounts are reviewed on a random basis at least monthly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

These accounts are reviewed by: Stan Spackeen, Manager; Mary Cherba, Compliance Officer, or their designee.

*REPORTS:* In addition to the monthly or quarterly statements and confirmations of transactions that clients receive from the custodian we do not prepare or provide reports or statements.

## **Item 14    Client Referrals and Other Compensation**

It is Financial Directions LLC's policy not to engage solicitors or to pay related or non-related persons for referring potential clients to our firm.

It is Financial Directions LLC's policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

## **Item 15    Custody**

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts.

As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting

period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

Our firm does not have actual or constructive custody of client accounts.

## **Item 16 Investment Discretion**

Clients may hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- Determine the security to buy or sell; and/or
- Determine the amount of the security to buy or sell

Clients give us discretionary authority when they sign the Investment Advisory Agreement with our firm, and may limit this authority by giving us written instructions. Clients may also change/amend such authority by once again providing us with written instructions.

## **Item 17 Voting Client Securities**

We do not accept or vote proxy materials or instructions for client accounts, except for securities in the Financial Directions LLC Retirement Savings Trust. The Trust is managed at the security level not the individual account holding level. For all other advisory accounts it is the client's responsibility to accept proxy materials at the account address of record.

We will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held in the client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, clients may direct us to transmit copies of class action notices to the client or a third party. Upon such direction, we will make reasonable efforts to forward such notices in a timely manner.

For investment advisory accounts where we do not vote proxies, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.



We do not offer any consulting assistance regarding proxy issues to clients.

## **Item 18 Financial Information**

Financial Directions LLC has no additional financial circumstances to report.

Under no circumstances do we require or solicit payment of fees in excess of \$1200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

Financial Directions LLC has not been the subject of a bankruptcy petition at any time during the past ten years.

**Part 2B of Form ADV: *Brochure Supplement***

Christopher Hambacher  
10157 E Cardiff Place  
Tucson, AZ 85748  
520-408-7777

Financial Directions LLC

Tucson, AZ 85719

12/31/2010

This brochure supplement provides information about Christopher Hambacher that supplements the Financial Directions LLC brochure. You should have received a copy of that brochure. Please contact Mary Cherba if you did not receive Financial Directions LLC's brochure or if you have any questions about the contents of this supplement.

Additional information about Christopher Hambacher is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

## **Item 2 Educational, Background and Business Experience**

**Full Legal Name:** Christopher Hambacher      **Born:** 1981

### **Education**

- University of Arizona; BS, Economics; 2003

### **Business Experience**

- Financial Directions LLC; Advisor and Business Support; from 7/1/2008 to Present
- University of Arizona; Office Specialist Senior; from 10/30/2006 to 07/01/2009

## **Item 3 Disciplinary Information**

Christopher Hambacher has no reportable disciplinary history.

## **Item 4 Other Business Activities**

### **A. Investment-Related Activities**

1. Christopher Hambacher is not engaged in any other investment-related activities.

2. Christopher Hambacher does not receive commissions, bonuses or other compensation on the sale of securities or other investment products.

### **B. Non Investment-Related Activities**

*Christopher Hambacher is not engaged in any other business or occupation that provides substantial compensation or involves a substantial amount of his or her time.*

## **Item 5 Additional Compensation**

Christopher Hambacher does not receive any economic benefit from a non-advisory client for the provision of advisory services.

## **Item 6 Supervision**

**Supervisor:**

**Title:**

**Phone Number:**

*Provide text here detailing the firm's Supervisory oversight practices.*

**Part 2B of Form ADV: *Brochure Supplement***

Frank B Griffith  
5060 Golder Ranch Road  
Tucson, AZ 85739  
520-408-7777

Financial Directions LLC

Tucson, AZ 85719

12/31/2010

This brochure supplement provides information about Frank B Griffith that supplements the Financial Directions LLC brochure. You should have received a copy of that brochure. Please contact Mary Cherba if you did not receive Financial Directions LLC's brochure or if you have any questions about the contents of this supplement.

Additional information about Frank B Griffith is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

## Item 2 Educational, Background and Business Experience

**Full Legal Name:** Frank B Griffith

**Born:** 1936

### Education

- University of Texas; BS, Physics; 1954

### Business Experience

none

## Item 3 Disciplinary Information

Frank B Griffith has no reportable disciplinary history.

## Item 4 Other Business Activities

### A. Investment-Related Activities

1. Frank B Griffith is not engaged in any other investment-related activities.

2. Frank B Griffith does not receive commissions, bonuses or other compensation on the sale of securities or other investment products.

### B. Non Investment-Related Activities

*Frank B Griffith is not engaged in any other business or occupation that provides substantial compensation or involves a substantial amount of his or her time.*

## Item 5 Additional Compensation

Frank B Griffith does not receive any economic benefit from a non-advisory client for the provision of advisory services.

## Item 6 Supervision

**Supervisor:**

**Title:**

**Phone Number:**

*Provide text here detailing the firm's Supervisory oversight practices.*

**Part 2B of Form ADV: *Brochure Supplement***

Guy Trujillo  
6135 E Lewis Avenue  
Scottsdale, AZ 85257  
520-408-7777

Financial Directions LLC

Tucson, AZ 85719

12/31/2010

This brochure supplement provides information about Guy Trujillo that supplements the Financial Directions LLC brochure. You should have received a copy of that brochure. Please contact Mary Cherba if you did not receive Financial Directions LLC's brochure or if you have any questions about the contents of this supplement.

Additional information about Guy Trujillo is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)



## **Item 2 Educational, Background and Business Experience**

**Full Legal Name:** Guy Trujillo      **Born:** 1941

### **Education**

- Arizona State University; Doctorate, Counseling Psychology; 1975

### **Business Experience**

- Financial Directions LLC; Advisor; from 2001 to Present

## **Item 3 Disciplinary Information**

Guy Trujillo has no reportable disciplinary history.

## **Item 4 Other Business Activities**

### **A. Investment-Related Activities**

1. Guy Trujillo is not engaged in any other investment-related activities.
2. Guy Trujillo does not receive commissions, bonuses or other compensation on the sale of securities or other investment products.

### **B. Non Investment-Related Activities**

*Guy Trujillo is not engaged in any other business or occupation that provides substantial compensation or involves a substantial amount of his or her time.*

## **Item 5 Additional Compensation**

Guy Trujillo does not receive any economic benefit from a non-advisory client for the provision of advisory services.

## **Item 6 Supervision**

**Supervisor:**

**Title:**

**Phone Number:**

*Provide text here detailing the firm's Supervisory oversight practices.*

**Part 2B of Form ADV: *Brochure Supplement***

John V Anderson  
7691 E Park View Dr  
Tucson, AZ 85715  
520-408-7777

Financial Directions LLC

Tucson, AZ 85719

12/31/2010

This brochure supplement provides information about John V Anderson that supplements the Financial Directions LLC brochure. You should have received a copy of that brochure. Please contact Mary Cherba if you did not receive Financial Directions LLC's brochure or if you have any questions about the contents of this supplement.

Additional information about John V Anderson is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

## **Item 2 Educational, Background and Business Experience**

**Full Legal Name:** John V Anderson      **Born:** 1948

### **Education**

- Indiana University; Masters, Social Work & Health Care Admin; 1973

### **Business Experience**

- Financial Directions LLC; Advisor; from 1999 to Present

## **Item 3 Disciplinary Information**

John V Anderson has no reportable disciplinary history.

## **Item 4 Other Business Activities**

### **A. Investment-Related Activities**

1. John V Anderson is not engaged in any other investment-related activities.
2. John V Anderson does not receive commissions, bonuses or other compensation on the sale of securities or other investment products.

### **B. Non Investment-Related Activities**

*John V Anderson is not engaged in any other business or occupation that provides substantial compensation or involves a substantial amount of his or her time.*

## **Item 5 Additional Compensation**

John V Anderson does not receive any economic benefit from a non-advisory client for the provision of advisory services.

## **Item 6 Supervision**

**Supervisor:**

**Title:**

**Phone Number:**

*Provide text here detailing the firm's Supervisory oversight practices.*

**Part 2B of Form ADV: *Brochure Supplement***

Joseph Hogan  
6770 E Carondelet Drive #230  
Tucson, AZ 85710  
520-408-7777

Financial Directions LLC

Tucson, AZ 85719

12/31/2010

This brochure supplement provides information about Joseph Hogan that supplements the Financial Directions LLC brochure. You should have received a copy of that brochure. Please contact Mary Cherba if you did not receive Financial Directions LLC's brochure or if you have any questions about the contents of this supplement.

Additional information about Joseph Hogan is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

## **Item 2 Educational, Background and Business Experience**

**Full Legal Name:** Joseph Hogan

**Born:** 1956

### **Education**

- City University of New York; Associate, Computer Programming; 1982

### **Business Experience**

- Financial Directions LLC; Advisor; from 2006 to Present

## **Item 3 Disciplinary Information**

Joseph Hogan has no reportable disciplinary history.

## **Item 4 Other Business Activities**

### **A. Investment-Related Activities**

1. Joseph Hogan is not engaged in any other investment-related activities.

2. Joseph Hogan does not receive commissions, bonuses or other compensation on the sale of securities or other investment products.

### **B. Non Investment-Related Activities**

*Joseph Hogan is not engaged in any other business or occupation that provides substantial compensation or involves a substantial amount of his or her time.*

## **Item 5 Additional Compensation**

Joseph Hogan does not receive any economic benefit from a non-advisory client for the provision of advisory services.

## **Item 6 Supervision**

**Supervisor:**

**Title:**

**Phone Number:**

*Provide text here detailing the firm's Supervisory oversight practices.*



**Part 2B of Form ADV: *Brochure Supplement***

Mary L Cherba  
4909 N Via Serenidad  
Tucson, AZ 85718  
520-408-7777

Financial Directions LLC

Tucson, AZ 85719

12/31/2010

This brochure supplement provides information about Mary L Cherba that supplements the Financial Directions LLC brochure. You should have received a copy of that brochure. Please contact Mary Cherba if you did not receive Financial Directions LLC's brochure or if you have any questions about the contents of this supplement.

Additional information about Mary L Cherba is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

## **Item 2 Educational, Background and Business Experience**

**Full Legal Name:** Mary L Cherba

**Born:** 1954

### **Education**

- University of Arizona; BS, Business Administration/Accounting; 1995

### **Business Experience**

- Financial Directions LLC; Accountant and Chief Compliance Officer; from 1998 to Present

### **Designations**

Mary L Cherba has earned the following designation(s) and is in good standing with the granting authority:

*Provide text here detailing the qualification requirements of the CPA designation.*

- CPA; AZ Board of Accountancy; 1996

## **Item 3 Disciplinary Information**

Mary L Cherba has no reportable disciplinary history.

## **Item 4 Other Business Activities**

### **A. Investment-Related Activities**

1. Mary L Cherba is not engaged in any other investment-related activities.

2. Mary L Cherba does not receive commissions, bonuses or other compensation on the sale of securities or other investment products.

### **B. Non Investment-Related Activities**

*Mary L Cherba is not engaged in any other business or occupation that provides substantial compensation or involves a substantial amount of his or*

*her time.*

## **Item 5 Additional Compensation**

Mary L Cherba does not receive any economic benefit from a non-advisory client for the provision of advisory services.

## **Item 6 Supervision**

**Supervisor:**

**Title:**

**Phone Number:**

*Provide text here detailing the firm's Supervisory oversight practices.*

**Part 2B of Form ADV: *Brochure Supplement***

Stan W Spackeen  
6761 N Camino Abbey  
Tucson, AZ 85718  
520-408-7777

Financial Directions LLC

Tucson, AZ 85719

12/31/2010

This brochure supplement provides information about Stan W Spackeen that supplements the Financial Directions LLC brochure. You should have received a copy of that brochure. Please contact Mary Cherba if you did not receive Financial Directions LLC's brochure or if you have any questions about the contents of this supplement.

Additional information about Stan W Spackeen is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

## Item 2 Educational, Background and Business Experience

**Full Legal Name:** Stan W Spackeen

**Born:** 1963

### Education

- University of Arizona; BS, Finance; 1985

### Business Experience

- Financial Directions LLC; Managing Partner; from 9/30/1996 to Present

## Item 3 Disciplinary Information

Stan W Spackeen has no reportable disciplinary history.

## Item 4 Other Business Activities

### A. Investment-Related Activities

1. Stan W Spackeen is not engaged in any other investment-related activities.
2. Stan W Spackeen does not receive commissions, bonuses or other compensation on the sale of securities or other investment products.

### B. Non Investment-Related Activities

*Stan W Spackeen is not engaged in any other business or occupation that provides substantial compensation or involves a substantial amount of his or her time.*

## Item 5 Additional Compensation

Stan W Spackeen does not receive any economic benefit from a non-advisory client for the provision of advisory services.

## Item 6 Supervision

**Supervisor:**

**Title:**

**Phone Number:**

*Provide text here detailing the firm's Supervisory oversight practices.*

**Part 2B of Form ADV: *Brochure Supplement***

Thomas M Jones  
4321 W Rio Cancion Drive #226  
Tucson, AZ 85718  
520-408-7777

Financial Directions LLC

Tucson, AZ 85719

12/31/2010

This brochure supplement provides information about Thomas M Jones that supplements the Financial Directions LLC brochure. You should have received a copy of that brochure. Please contact Mary Cherba if you did not receive Financial Directions LLC's brochure or if you have any questions about the contents of this supplement.

Additional information about Thomas M Jones is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

## Item 2 Educational, Background and Business Experience

**Full Legal Name:** Thomas M Jones

**Born:** 1947

### Education

none

### Business Experience

- Financial Directions LLC; Advisor; from 6/14/2000 to Present

## Item 3 Disciplinary Information

Thomas M Jones has no reportable disciplinary history.

## Item 4 Other Business Activities

### A. Investment-Related Activities

1. Thomas M Jones is not engaged in any other investment-related activities.

2. Thomas M Jones does not receive commissions, bonuses or other compensation on the sale of securities or other investment products.

### B. Non Investment-Related Activities

*Thomas M Jones is not engaged in any other business or occupation that provides substantial compensation or involves a substantial amount of his or her time.*

## Item 5 Additional Compensation

Thomas M Jones does not receive any economic benefit from a non-advisory client for the provision of advisory services.

## Item 6 Supervision

**Supervisor:**

**Title:**

**Phone Number:**



*Provide text here detailing the firm's Supervisory oversight practices.*