

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

**Financial Directions LLC**

1228 E Prince Road  
Tucson, AZ 85719

Telephone: 520-408-7777

Email: [mary@financialdirectionsllc.com](mailto:mary@financialdirectionsllc.com)

Web Address: [www.financialdirectionsllc.com](http://www.financialdirectionsllc.com)

12/31/2012

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 which mandated this disclosure document to be in a narrative form and include some information we were not previously required to disclose. The following Firm Brochure, dated 12/31/2012, is our current disclosure document prepared according to SEC requirements and rules.

Item 2 is specifically intended to provide you 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 these 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.

As of this filing of our annual updating amendment and Firm Brochure dated 12/31/2012 we have no material changes to report. You may review our current, and archived, Brochures as filed with the SEC on our website [www.financialdirectionsllc.com](http://www.financialdirectionsllc.com).

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## **Item 4    Advisory Business**

Financial Directions LLC is a SEC Registered Investment Adviser (RIA) with its principal place of business located in Tucson, AZ. Financial Directions LLC began conducting business in 1996.

Listed below are the firm's partners (i.e., those individuals controlling 25% or more of this company).

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

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

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

Our firm provides on-going advice to you regarding the investments in any accounts you have placed under our supervisory services through an Investment Advisory Agreement. Together, through personal discussions in which goals and objectives based on your particular circumstances are established, we develop a personal investment strategy and create and manage a portfolio based on that strategy. During the data-gathering process, we will discuss such things as your individual objectives, time horizons, risk tolerance, liquidity needs, prior investment history, family composition, or background.

We endeavor at all times to put your interests first as part of our fiduciary duty as a Registered Investment Advisor.

We manage these advisory accounts on a discretionary basis. Account supervision is guided by your objectives and strategies as discussed (i.e., maximize capital appreciation, capital preservation, income, or a combination), as well as tax considerations. To ensure that the initial determination of an appropriate portfolio remains suitable and that the account continues to be managed in a manner consistent with your financial circumstances, our relationship covers:

1. periodically contacting you to determine whether there have been any changes in your financial situation or investment objectives;
2. being reasonably available for consultations;
3. maintaining client suitability information in your file;
4. contacting us when there are changes in your circumstances, or with concerns or questions about your investments, or potential liquidity needs; and
5. informing us of reasonable restrictions you have on investing in certain securities, types of securities, or industry sectors.

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

- Exchange-listed securities
- Securities traded over-the-counter
- Foreign issues (such as ADRs or foreign currency CDs)
- 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, such as equipment leasing programs, commodities trading, and timber.

Because some types of investments, such as alternatives, involve additional risk, they will only be implemented/recommended when consistent with your 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. Due diligence of the initial suitability of a company's offerings is screened through Triad Advisors. After initial suitability screening it is incumbent on you and your advisor to review specific qualifications and risks prior to investing.

In addition to individual advisory accounts our firm has established a retirement trust entitled the Financial Directions LLC Retirement Savings Trust 403(b). The Trust is a platform of no-load or load waived mutual funds and model asset allocation portfolios (outlined below) 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. These service providers can be changed at the discretion of Financial Directions.

The platform we created is a selection of mutual funds and model portfolios designed to meet

particular investment goals. We manage the models on a discretionary basis per the model's objectives rather than your individual needs. Through personal discussions with you we determine if individual mutual funds or one of the model portfolios is suitable to your circumstances. Account supervision is guided by your objectives (i.e. maximize capital appreciation, capital preservation, income, or a combination), as well as tax considerations.

**Principal Conservation Model Portfolio:** designed for risk averse participants who want bond and cash equivalent investments to limit downside market volatility.

**Conservative Balanced Model Portfolio:** designed for risk averse participants who want a mix of stocks and bonds to provide some growth potential while limiting 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.

### **AMOUNT OF MANAGED ASSETS**

As of 12/31/2012, we were actively managing \$216,403,853 of client assets on a discretionary basis.

## **Item 5 Fees and Compensation**

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

The annualized fee for Investment Supervisory Services is primarily a percentage of assets under management (AUM), but hourly or retainer fees can also be negotiated. Services charged as a percentage of assets under management are according to the following schedule:

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

AUM fees are billed quarterly in advance, and are calculated 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 directly debited from your account in accordance with your authorization in the Investment Advisory Agreement. Notification of fee debit is provided to you in your account statement. In the event the account does not contain a sufficient cash balance to cover the fee we can at our discretion 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.)

If advisory services are provided on an account held at a custodian we do not have a relationship with, an hourly or retainer agreement may be more appropriate. Under this type of agreement an invoice for our services is billed directly to you and you agree to make payment immediately upon receipt.

Additionally, accounts in the Financial Directions LLC Retirement Savings Trust 403(b) may be charged administrative and custodial fees on a quarterly basis. Administrative and custodial fees are currently paid by Financial Directions or are offset against any fees recouped from mutual fund investments. An additional 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.

**Limited Negotiability of Advisory Fees:** Although Financial Directions LLC has established the aforementioned fee schedule, we retain the discretion to negotiate alternative fees on a client-by-client basis. Many factors are considered in determining the actual fee schedule, such as client facts, circumstances, and needs. The specific fee schedule is identified in the Investment Advisory Agreement between the adviser and each client.

Our personnel are dually licensed as Registered Representatives of Triad Advisors, Inc. a broker-dealer, and/or licensed as insurance agents. In this separate capacity, your advisor is able to implement investment and insurance opportunities for you and is separately compensated via commissions, 12b-1 fees, or other sales-related forms of compensation. These fees are not negotiable so may present a conflict of interest to the extent that your advisor may recommend that you purchase a product that results in a commission being paid to them. Business contracted as a Registered Representative is separate from Investment Supervisory Services (see Item 4) and must be disclosed.

## GENERAL INFORMATION

**Termination of the Advisory Relationship:** An agreement for investment supervisory services may be canceled at any time, by either party, for any reason upon written notice. As disclosed in Item 5 above, certain fees are paid in advance of services provided. If a termination notice is received from you 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. Depending on the custodian holding your assets, your account may be charged a termination fee. Typical fees range from \$35 to \$75 and are usually deducted from your account at distribution.

**Mutual Fund Fees:** All fees you pay to us for investment supervisory services are separate and distinct from the fees and expenses charged by mutual funds, ETFs, or other investment products to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include sales charges, management fees, other fund expenses, and transfer or distribution fees. You can invest in some mutual funds directly through our relationship with Triad Advisors (see Item 5) and without investment supervisory services, but you are still subject to the fees and expenses charged by the investment company. Accordingly, you should review both the fees charged by the funds and our fees to

fully understand the total amount of fees to be paid and to thereby evaluate the advisory services we are providing.

***Additional Fees and Expenses:*** In addition to our advisory fees, you are also responsible for the fees and expenses charged by custodians and broker dealers for account services whether transactions are initiated by you or your advisor. These fees and expenses include, but are not limited to, transaction charges, termination fees, trading commissions, margin calls, and annual fees. Please refer to the Brokerage Practices section (Item 12) for additional information.

***Grandfathering of Account Requirements:*** You are subject to the terms and advisory fees in effect per the most current Investment Advisory Agreement signed and on file. You and your advisor may re-negotiate or update the advisory agreement from time to time. The new agreement must be signed by you before it becomes effective.

***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. As a fiduciary we are subject to specific duties and obligations that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, we may only charge advisory fees for investment advice about products for which we do not receive any commissions or 12b-1 fees, or when such fees are used to offset advisory fees as applicable.

***Advisory Fees in General:*** You 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 collect payment of fees in excess of \$1200 per account more than six months in advance of services rendered. As previously stated fees are charged in advance on a quarterly basis.

## **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 investment supervisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals (an individual with more than \$750k under our management)



## 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 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.** This is a strategy to help reduce risk and maximize returns on an investment portfolio. Rather than focusing primarily on securities selection, we attempt to identify an appropriate mix of assets classes, including securities, alternative investments, fixed income, and/or cash, suitable to your circumstances. These depend on many factors, such as your investment goals, how much time you have to invest, your risk tolerance, interest rates, and market outlook.

A risk of asset allocation is that you 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. Together we should review and rebalance your portfolio from time to time to remain in tune with your circumstances.

**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 your 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 your 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 accounts, provided that such strategies are appropriate to your needs and consistent with your investment objectives, risk tolerance, and time horizons, among other considerations:

**Long-term purchases.** We purchase securities with the idea of holding them in your 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. A risk in short-term purchases is a security may decline sharply in value before we make the decision to sell.

**Margin transactions.** If your account is set up with margin privileges 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. A risk with this strategy is you may be subject

to a margin call if the security has a decline in value.

**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 your, or a prospective client's, evaluation of our advisory business or the integrity of our advisors.

Our firm and advisors have no reportable disciplinary events to disclose. Broker history is available for public viewing on the SEC ([www.sec.gov](http://www.sec.gov)) and FINRA ([www.finra.org](http://www.finra.org)) websites.

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

Advisors of Financial Directions LLC are dually licensed as Registered Representatives of Triad Advisors Inc, a broker-dealer. These individuals, in this separate capacity, can effect securities transactions through Triad for which they will receive separate but customary compensation (see Item 5).

Financial Directions LLC endeavors at all times to put your interests first as part of our fiduciary duty as a Registered Investment Adviser. You should be aware that the differing structures of compensation may create a conflict of interest and may affect the decisions of your advisor when making recommendations.

. We take the following steps to address this conflict:

- we disclose to you the existence of all material conflicts of interest, including the potential for your advisor to earn separate compensation from certain investments in addition to advisory fees;
- we disclose to you that you are not obligated to purchase recommended investment products from your advisor;
- we collect, maintain and document accurate, complete and relevant client background information, including your financial goals, objectives and risk tolerance;
- our management conducts regular reviews of random client accounts and new accounts to verify that recommendations made are suitable to your 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 you.

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

We have adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our personnel to be in compliance with applicable federal securities laws.

We owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere to both specific provisions of the Code of Ethics and the general underlying principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of securities transactions as well as initial and annual securities holdings reports that must be submitted by our personnel. 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.

Copies of our Code of Ethics and annual privacy notice are available to the public on our website [www.financialdirectionsllc.com](http://www.financialdirectionsllc.com) or upon request.

Financial Directions LLC and our personnel are prohibited from engaging in principal transactions.

Financial Directions LLC and our personnel are prohibited from engaging in agency cross transactions.

Financial Directions LLC and our personnel are prohibited from accepting on behalf of a client any funds, checks, or securities that are made payable or endorsed to our firm or personnel. We do not cash or custody funds at any time.

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.

Individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to you.

None of our personnel may knowingly purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such personnel 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 personnel of our firm may put his or her own interest above the interest of an advisory client.
2. No personnel 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 affiliation unless the information is also available to the investing public.
3. No personnel 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 personnel of the firm.
5. We maintain a list of all reportable securities holdings for our firm and personnel. These holdings are reviewed on a regular basis by our firm's Chief Compliance Officer or her designee.
6. We have established procedures for the maintenance of all required books and records.
7. You should be fully informed if your advisor may receive separate commission compensation when effecting transactions during the implementation process.
8. Clients can decline to implement any advice rendered. On accounts where we are granted discretionary authority, clients may impose reasonable restrictions on investing in certain types of securities, or industry sectors.
9. All of our personnel 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 all personnel of our firm.
11. We have established policies requiring the reporting of Code of Ethics violations to our management.
12. Any individual who violates any of the above restrictions may be subject to termination.

As disclosed in preceding sections of this Brochure (see Item 5 and Item 10), our advisors

are dually licensed as Registered Representatives of a broker-dealer. Please refer to Item 5 for a detailed explanation of these relationships and important conflict of interest disclosures.

## **Item 12 Brokerage Practices**

You give us discretionary authority when you sign the Investment Advisory Agreement with our firm, and you may limit this authority by giving us written instructions. You may also change or amend such authority by providing us with updated written instructions.

As a matter of policy and practice, we do not generally place block trades and, therefore, we implement client transactions separately for each account. Consequently, certain client trades may be executed before others resulting in different prices.

We have an arrangement with National Financial Services LLC (a division of Fidelity), and Fidelity Brokerage Services LLC ("Fidelity") through which Fidelity provides us with their institutional platform of services. These services include brokerage, custody, and other related services. We have the discretion to change this arrangement at any time when we determine it to be in the overall best interests of our clients.

Fidelity also offers other services intended to help us manage and further develop our advisory practice. Such services include, but are not limited to, performance reporting, financial planning, contact management systems, third party research, publications, access to educational conferences, roundtables and webinars, practice management resources, access to consultants and other third party service providers who offer a wide array of business related services and technology with whom we may contract directly.

As a result of receiving such services and benefits, 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 our clients and satisfies our client obligations, including our duty to seek best execution. A client may pay a commission or fee that is higher than another qualified or discount broker might charge to effect the same transaction. We determined in good faith that the charges are 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's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, while we seek competitive rates, to the benefit of all clients, we may not actually obtain the lowest possible rates for specific client account transactions. Generally, we use the investment research products and services to benefit all clients.

Financial Directions LLC and Fidelity are not affiliated. Our broker-dealer relationship with Triad Advisors is independent of and separate to our investment supervisory services. For our investment supervisory service business we are independently registered with the SEC as a Registered Investment Advisor. Our purpose is to provide competitive services through resources and relationships designed to support the best interests of you and your investments.

## Item 13 Review of Accounts

### INVESTMENT SUPERVISORY SERVICES INDIVIDUAL PORTFOLIO MANAGEMENT

**Reviews:** While the underlying securities within accounts are continually monitored, individual 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, the market, political or economic environment.

These accounts are reviewed by Stan Spackeen, Managing Partner/Registered Principal; Mary Cherba, Chief Compliance Officer/Registered Principal; or their designee.

**Reports:** Monthly or quarterly statements and confirmations of transactions that you receive are prepared and issued by the account custodian. We do not prepare or provide reports or statements. However, if you have a question or problem with your statement you should contact your advisor immediately. Copies are provided via regular mail or electronic mail depending on your expressed preference.

## Item 14 Client Referrals and Other Compensation

We do not engage solicitors or pay related or non-related persons for referring potential clients to our firm.

We do not accept or allow our advisors 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 (see Item 5) that our firm directly debits advisory fees from client accounts.

As part of this billing process, the account custodian is advised by us of the amount of the fee to be deducted from each account. On at least a quarterly basis, the custodian is required to send you 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 you to carefully review your statements to verify the accuracy of the calculation, among other things. You should contact us directly if you believe there may be an error in your statement.

Our firm does not have actual or constructive custody of client accounts. Further, we are

prohibited from accepting on your behalf any funds, checks, or securities that are made payable or endorsed to our firm or personnel. We do not cash or custody funds at any time.

## **Item 16 Investment Discretion**

You hire us to provide discretionary asset management services, in which case we place trades in your account without contacting you prior to each trade to obtain permission.

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

- Determine the security to buy or sell
- Determine the amount of the security to buy or sell
- Determine the timing of when to buy or sell the security

You give us discretionary authority when you sign the Investment Advisory Agreement with our firm, and you may limit this authority by giving us written instructions. You may also change or amend such authority by providing us with updated written instructions.

## **Item 17 Voting Client Securities**

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

We will neither advise nor act on your behalf in legal proceedings involving companies whose securities are held in your account(s), including, but not limited to, the filing of “Proofs of Claim” in class action settlements.

Since we do not vote proxies for investment advisory accounts, you maintain exclusive responsibility for:

1. directing the manner in which proxies solicited by issuers of securities beneficially owned will be voted;
2. making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other events pertaining to the investment assets; and
3. instructing each custodian of the assets to send copies of all proxies and shareholder communications relating to your investment assets to your address of record.



**Item 18 Financial Information**

Financial Directions LLC has no additional financial circumstances to report.

Since we do not require or collect payment of fees in excess of \$1200 per account more than six months in advance of services rendered, we are not required to include a financial statement.

Financial Directions LLC has not been the subject of a bankruptcy petition at any time since we began conducting business in 1996.

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

John V. Anderson  
1228 E Prince Rd  
Tucson, AZ 85719  
520-408-7777

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12/31/2012

This brochure supplement provides information about John V. Anderson that supplements the Financial Directions LLC Brochure. A complete copy of our Brochure is available on our website [www.financialdirectionsllc.com](http://www.financialdirectionsllc.com) or upon request. Contact Mary Cherba or your advisor at 520-408-7777 if you have any questions about the contents of this document.

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

## **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; 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 also engaged in the following investment-related activities:

#### **Registered representative of a broker-dealer**

2. John V. Anderson may receive commissions, bonuses or other compensation on the sale of certain 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 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:** Stan Spackeen; Mary L. Cherba

**Title:** Managing Partner; Chief Compliance Officer

**Phone Number:** 520-408-7777

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

Mary L. Cherba  
1228 E Prince Rd  
Tucson, AZ 85719  
520-408-7777

Financial Directions LLC  
1228 E Prince Road  
Tucson, AZ 85719

12/31/2012

This brochure supplement provides information about Mary L. Cherba that supplements the Financial Directions LLC Brochure. A complete copy of our Brochure is available on our website [www.financialdirectionsllc.com](http://www.financialdirectionsllc.com). Contact Mary Cherba or your advisor at 520-408-7777 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) or FINRA's website at [www.finra.org](http://www.finra.org).

## **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; Advisor and Accountant; 1998 to Present; and Chief Compliance Officer; 2005 to Present

### **Designations**

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

- CPA; AZ State 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 also engaged in the following investment-related activities:

#### **Registered representative of a broker-dealer**

2. Mary L. Cherba may receive commissions, bonuses or other compensation on the sale of certain securities or other investment products.

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

Independent of Financial Directions LLC Mary L. Cherba offers tax preparation services to clients and non clients. This outside business or occupation does not provide substantial compensation or involve a substantial amount of her time. Financial Directions LLC does not financially participate in this activity.

## **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:** Stan Spackeen

**Title:** Managing Partner

**Phone Number:** 520-408-7777

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

Frank B. Griffith  
1228 E Prince Rd  
Tucson, AZ 85719  
520-408-7777

Financial Directions LLC  
1228 E Prince Road  
Tucson, AZ 85719

12/31/2012

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

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

**Full Legal Name:** Frank B. Griffith      **Born:** 1936

### **Education**

- University of Texas; BS, Physics; 1954

### **Business Experience**

- Financial Directions LLC; Advisor, Owner; 1996 to Present

## **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 also engaged in the following investment-related activities:

#### **Registered representative of a broker-dealer**

2. Frank B. Griffith may receive commissions, bonuses or other compensation on the sale of certain 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 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:** Stan Spackeen; Mary L. Cherba

**Title:** Managing Partner; Chief Compliance Officer

**Phone Number:** 520-408-7777



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

Christopher Hambacher  
1228 E Prince Rd  
Tucson, AZ 85719  
520-408-7777

Financial Directions LLC  
1228 E Prince Road  
Tucson, AZ 85719

12/31/2012

This brochure supplement provides information about Christopher Hambacher that supplements the Financial Directions LLC Brochure. A complete copy of our Brochure is available on our website [www.financialdirectionsllc.com](http://www.financialdirectionsllc.com) or upon request. Contact Mary Cherba or your advisor at 520-408-7777 if you have any questions about the contents of this document.

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

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

**Full Legal Name:** Christopher M. Hambacher

**Born:** 1981

### **Education**

- University of Arizona; BS, Economics; 2003

### **Business Experience**

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

## **Item 3 Disciplinary Information**

Christopher Hambacher has no reportable disciplinary history.

## **Item 4 Other Business Activities**

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

1. Christopher Hambacher is also engaged in the following investment-related activities:

#### **Registered representative of a broker-dealer**

2. Christopher Hambacher may receive commissions, bonuses or other compensation on the sale of certain 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 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:** Stan Spackeen; Mary L. Cherba

**Title:** Managing Partner; Chief Compliance Officer

**Phone Number:** 520-408-7777

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

Joseph Hogan  
1228 E Prince Rd  
Tucson, AZ 85719  
520-408-7777

Financial Directions LLC  
1228 E Prince Road  
Tucson, AZ 85719

12/31/2012

This brochure supplement provides information about Joseph Hogan that supplements the Financial Directions LLC Brochure. A complete copy of our Brochure is available on our website [www.financialdirectionsllc.com](http://www.financialdirectionsllc.com) or upon request. Contact Mary Cherba or your advisor at 520-408-7777 if you have any questions about the contents of this document.

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

## **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; 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 also engaged in the following investment-related activities:

#### **Registered representative of a broker-dealer**

2. Joseph Hogan may receive commissions, bonuses or other compensation on the sale of certain 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 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:** Stan Spackeen; Mary L. Cherba

**Title:** Managing Partner; Chief Compliance Officer

**Phone Number:** 520-408-7777

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Thomas M. Jones  
1228 E Prince Rd  
Tucson, AZ 85719  
520-408-7777

Financial Directions LLC  
1228 E Prince Road  
Tucson, AZ 85719

12/31/2012

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

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

**Full Legal Name:** Thomas M. Jones

**Born:** 1947

### **Education**

Some post high school education; no degree attained.

### **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 also engaged in the following investment-related activities:

#### **Registered representative of a broker-dealer**

2. Thomas M. Jones may receive commissions, bonuses or other compensation on the sale of certain 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 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:** Stan Spackeen; Mary L. Cherba

**Title:** Managing Partner; Chief Compliance Officer

**Phone Number:** 520-408-7777

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Stan W. Spackeen  
1228 E Prince Rd  
Tucson, AZ 85719  
520-408-7777

Financial Directions LLC  
1228 E Prince Road  
Tucson, AZ 85719

12/31/2012

This brochure supplement provides information about Stan W. Spackeen that supplements the Financial Directions LLC Brochure. A complete copy of our Brochure is available on our website [www.financialdirectionsllc.com](http://www.financialdirectionsllc.com) or upon request. Contact Mary Cherba or your advisor at 520-408-7777 if you have any questions about the contents of this document.

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

## **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; Advisor and Managing Partner; 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 also engaged in the following investment-related activities:

#### **Registered representative of a broker-dealer**

2. Stan W. Spackeen may receive commissions, bonuses or other compensation on the sale of certain 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 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:** Self; Mary L. Cherba

**Title:** Managing Partner; Chief Compliance Officer

**Phone Number:** 520-408-7777



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

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

Financial Directions LLC  
1228 E Prince Road  
Tucson, AZ 85719

12/31/2012

This brochure supplement provides information about Guy Trujillo that supplements the Financial Directions LLC Brochure. A complete copy of our Brochure is available on our website [www.financialdirectionslc.com](http://www.financialdirectionslc.com) or upon request. Contact Mary Cherba or your advisor at 520-408-7777 if you have any questions about the contents of this document.

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

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

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

### **Education**

- Arizona State University; Doctorate, Counseling Psychology; 1975

### **Business Experience**

- Financial Directions LLC; Advisor; 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 also engaged in the following investment-related activities:

#### **Registered representative of a broker-dealer**

2. Guy Trujillo may receive commissions, bonuses or other compensation on the sale of certain 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 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:** Stan Spackeen; Mary L. Cherba

**Title:** Managing Partner; Chief Compliance Officer

**Phone Number:** 520-408-7777