

**Ostrofe Financial Consultants, Inc.**  
**Allen Ostrofe**  
**565 Brunswick Road, Suite 15**  
**Grass Valley, CA 95945**  
**530-273-4425**  
**[www.ostrofefinancial.com](http://www.ostrofefinancial.com)**  
**August 22, 2013**

This Brochure provides information about the qualifications and business practices of Ostrofe Financial Consultants, Inc. If you have any questions about the contents of this Brochure, please contact us at 530-273-4425 or [allen.ostrofe@natplan.com](mailto:allen.ostrofe@natplan.com). Information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Ostrofe Financial Consultants, Inc. is a Registered Investment Advisor. Registration of an Investment Advisor does not imply any level of skill or training. The oral and written communications of an Advisor provide you with information about which you determine to hire or retain a Registered Investment Advisor.

Additional information about Ostrofe Financial Consultants, Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Item 2 – Material Changes**

Information about Mike Fronk was removed 8/23/13 because he will no longer be working at our office.

The figures of total assets under management were revised 6/25/13.

The hourly fees for financial planning and investment advisory services were revised 1/9/13.

Currently, our Brochure may be requested by contacting Patty Lum at 530-273-4425 or [patty.lum@natplan.com](mailto:patty.lum@natplan.com). Our Brochure is also available on our web site [www.ostrofefinancial.com](http://www.ostrofefinancial.com), also free of charge.

Additional information about Ostrofe Financial Consultants, Inc. is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with Ostrofe Financial Consultants, Inc. who are registered, or are required to be registered, as Investment Advisor Representatives of Ostrofe Financial Consultants, Inc...

### **Item 3 -Table of Contents**

Item 1 – Cover Page.....	1
Item 2 – Material Changes.....	1
Item 3 -Table of Contents .....	2
Item 4 – Advisory Business .....	3
Item 5 – Fees and Compensation .....	3
Item 6 – Performance-Based Fees and Side-By-Side Management .....	4
Item 7 – Types of Clients .....	4
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss.....	5
Item 9 – Disciplinary Information.....	5
Item 10 – Other Financial Industry Activities and Affiliations .....	5
Item 11 – Code of Ethics .....	5
Item 12 – Brokerage Practices .....	6
Item 13 – Review of Accounts .....	6
Item 14 – Client Referrals and Other Compensation.....	6
Item 15 – Custody .....	6
Item 16 – Investment Discretion .....	7
Item 17 – Voting Client Securities.....	7
Item 18 – Financial Information.....	7

## Item 4 – Advisory Business

Ostrofe Financial Consultants, Inc. provides financial planning and consulting services to a variety of clients. These include individuals, pension and profit-sharing plans, trusts, estates, charitable institutions, and corporations or businesses.

The Investment Advisor first conducts an initial interview and gathers data to assist the client in determining specific needs, goals, objectives and tolerance for risk.

Financial planning and consulting services are provided in the areas of investment planning, insurance planning, pension/retirement planning, tax planning, estate planning, educational planning, debt consolidation, tax reduction, budgeting, etc. The Advisor employs fundamental, long-term financial planning and investment strategies.

For such services, Ostrofe Financial Consultants, Inc. has a basic fee schedule for managed assets.

### Assets Under Management:

Discretionary Assets: \$71,529,571 (521 accounts)

Non-Discretionary Assets: \$99,104,365 (2,560 accounts)

Total: \$170,633,937 (3,081 accounts)

## Item 5 – Fees and Compensation

The specific manner in which fees are charged by Ostrofe Financial Consultants, Inc. is established in a client's Investment Advisory Agreement.

### Option A:

Fees for financial planning and investment advisory services will be billed on an hourly basis as follows: Principal Planner - \$185 per hour, General Financial Planner - \$125 per hour, Operational Services - \$85 per hour, General Administrative Services - \$75 per hour.

Billable fees will be offset by investment commissions actually received by the Principal. Advisory fees are non-negotiable. Commission offset is entered in our billing system as a credit. All fees are deducted from this amount. Clients excluded from the above procedure are those with commissionable investments pending, which in the near future will offset billable time.

**OR**

### Option B:

Fees are based by a household of accounts as a percentage of assets under management, billed at the end of each quarter, as follows:

Portfolio Value	Annual Fee
\$25,000 - \$999,999	1.25%
\$1,000,000 - +	1.00%

For clients who select "Option B" on the Investment Advisory Agreement, fees are debited quarterly pro-rata to clients at the account level. We will strive to keep a 2% cash value in the client's account at all times to avoid having to sell funds to pay for fees. However, clients also agree, should cash value be insufficient to cover fees (due to client withdrawals, custodial fees, etc.), funds can be redeemed to cover fees at the broker's discretion. The client pays ticket charges, mutual fund expenses (as outlined by prospectus), and any applicable custodial fees. If the client terminates their agreement before the last quarter billed pro-rata is fulfilled, their reimbursement will be as follows:

Last quarterly fee paid/days of billing period divided by the number of days remaining in billing period = Reimbursement Amount

All fees and charges go through our Broker/Dealer, National Planning Corporation.

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

Ostrofe Financial Consultants, Inc. does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a Client).

#### **Item 7 – Types of Clients**

Ostrofe Financial Consultants, Inc. provides financial planning services to individuals, pension and profit-sharing plans, trusts, estates, charitable institutions, and corporations or businesses.

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

Security analysis methods at Ostrofe Financial Consultants, Inc. include fundamental and technical analysis. The main sources of information include Morningstar reports, fund prospectus, S & P reports, financial newspapers and magazines, research materials prepared by others, filings with the Securities and Exchange Commission, and annual reports.

The primary investment strategy we utilize in providing financial planning and consulting services to client portfolios is strategic asset allocation. We may use passive and actively managed mutual funds, exchange-traded funds and, when appropriate for the client, individual stocks, options and individual municipal bonds where there are opportunities to make a difference by security selection. Portfolios are generally globally diversified to control the risk associated with traditional markets. The investment strategy for a specific client is based upon the objectives, income needs, and tax situation stated by the client during consultations. The client may change these objectives at any time. Each client portfolio is constructed solely for that client.

All investment programs have certain risks that are borne by the investor. Our investment approach keeps the risk of loss in mind. However, as with all investments, clients face investment risks including the following: Loss of principal risk, interest rate risk, market risk, inflation risk, currency risk, business risk, liquidity risk, and financial risk.

## **Item 9 – Disciplinary Information**

Ostrofe Financial Consultants, Inc. has had no legal or disciplinary events, and does not have any pending events.

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

Investment Advisor Representatives of Ostrofe Financial Consultants, Inc. are Registered Representatives of National Planning Corporation (“NPC”) or NPC of America (in the states of Florida and New York). As such, Investment Advisor Representatives may recommend or suggest the use of NPC as the Broker/Dealer to effect securities recommendations, but does not require that clients choose NPC as the Broker/Dealer.

Investment Advisor Representatives of Ostrofe Financial Consultants, Inc. may, in their capacity as Registered Representatives of National Planning Corporation (“NPC”), or as agents appointed with various life, disability or other insurance companies, receive commissions, 12(b)-1 fees, or other compensation from the respective product sponsors and/or as a result of effecting securities transactions for clients.

## **Item 11 – Code of Ethics**

Ostrofe Financial Consultants, Inc. maintains a Code of Ethics. The Code of Ethics sets forth standards of conduct expected of personnel; requires compliance with Federal securities laws, and addresses conflicts that arise from personal trading by personnel. Clients may request a copy of the Code of Ethics.

At times, Ostrofe Financial Consultants, Inc. officers, directors or employees may take positions in the same securities as clients, and we will follow Ostrofe Financial Consultants, Inc.’s Code of Ethics. The firm and its Investment Advisors will generally be “last in” and “last out” for the trading day when trading occurs in close proximity to client trades. We will not violate our fiduciary responsibilities to our clients. Trading shortly ahead of clients is prohibited. Should a conflict occur because of materiality (i.e. a thinly traded stock), disclosure will be made to the client(s) at the time of trading. Incidental trading not deemed to be a conflict (i.e. a purchase or sale which is minimal in relation to the total outstanding value, and as such would have negligible effect on the market price), would not be disclosed at the time of trading.

## **Item 12 – Brokerage Practices**

As Ostrofe Financial Consultants, Inc. provides consulting and financial planning services, manages client accounts and directs brokerage transactions.

### **Soft Dollar Practices**

While in the course of business, company investment officers deal often with brokers and dealers of securities. As a result of the nature of company business, however, the company uses neither “soft dollar” arrangements nor “directed brokerage” arrangements.

## **Item 13 – Review of Accounts**

Ostrofe Financial Consultants, Inc. has two investment review personnel: Allen F. Ostrofe (President) and Frederick A. Fisher (Registered Principal/Financial Consultant). Review of client financial plans occur on a regular basis at least annually, or at the request of the client, on new information about an investment, changes in tax laws, or other important change, and as market conditions dictate. The scope includes an entire financial review, including investments purchased through (or not through) Ostrofe Financial Consultants, Inc., balance sheet, financial statement, tax return, estate, retirement, and insurance updates.

Each client receives, generally, a review from their Registered Investment Advisor him/herself. There is currently no limit to the amount of accounts an Advisor may handle. Each Advisor is backed by client service personnel who monitor each client’s separate accounts on a daily basis to ensure follow-up and back-up between client and vehicles in which clients are invested.

Reports are provided to clients during review appointments at least once a year. These reports are provided on a computer updated Confidential Financial Analysis form, and notes/comments are recorded on the same form to preserve meeting results for the future.

Statements and trade confirmations from either Broker/Dealers of the New York Stock Exchange or corporate trust departments serve as monthly or quarterly reports to clients on their accounts. These statements outline all securities positions, monthly activity in accounts, and current market value.

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

Ostrofe Financial Consultants, Inc. has been fortunate to receive many client referrals over the years. The referrals have come from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other sources. The firm does not pay for referrals.

Ostrofe Financial Consultants, Inc. does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them, nor pay any referral fees or any form of remuneration for referrals from other professionals.

## **Item 15 - Custody**

As Ostrofe Financial Consultants, Inc. only provides consulting and financial planning services, Ostrofe Financial Consultants, Inc. does not maintain any client accounts and does not take custody of client accounts. However, clients will receive statements from the Broker/Dealer, bank or other qualified custodian that holds and maintains client investment assets. Ostrofe Financial Consultants, Inc. urges you to carefully review such statements and compare such official custodial records to the account reports that we may provide to you.

## **Item 16 – Investment Discretion**

Ostrofe Financial Consultants, Inc. accepts discretionary authority to manage securities accounts on behalf of clients.

## **Item 17 – Voting Client Securities**

As a matter of firm policy and practice, Ostrofe Financial Consultants, Inc. does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in Client portfolios. Clients maintain exclusive responsibility for directing the manner in which proxies solicited by issuers of securities beneficially owned by the Client shall be voted as well as making all other elections relative to mergers, acquisitions, tender offers or other events pertaining to the Client's investment assets.

## **Item 18 – Financial Information**

Registered Investment Advisors are required in this Item to provide you with certain financial information or disclosures about Ostrofe Financial Consultants, Inc.'s financial condition. Ostrofe Financial Consultants, Inc. has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

Questions relative to the firm, its services, or this ADV Part 2 and its Advisory Personnel Brochure Supplement may be made to the attention of Patty Lum at 530-273-4425 or [patty.lum@natplan.com](mailto:patty.lum@natplan.com). Additional information about the firm, other advisory firms, or an associated representative is available at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). A search for firms or associated personnel can be accomplished by name or firm identifier, known as IARD number. The IARD number of Ostrofe Financial Consultants, Inc. is 110064.

## Part 2B Brochure Supplement

**Ostrofe Financial Consultants, Inc.**  
**Allen Ostrofe**  
**565 Brunswick Road, Suite 15**  
**Grass Valley, CA 95945**  
**530-273-4425**  
**[www.ostrofefinancial.com](http://www.ostrofefinancial.com)**  
**June 30, 2011**

This Brochure Supplement provides information about Allen Ostrofe and Frederick Fisher that supplements the Ostrofe Financial Consultants, Inc. brochure. Please contact Patty Lum at 530-273-4425 or [patty.lum@natplan.com](mailto:patty.lum@natplan.com) if you did not receive Ostrofe Financial Consultants, Inc.'s Brochure, or if you have any questions about the contents of this supplement.

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

Name: Allen Francis Ostrofe, MBA, CFP®\*, AIF®

Birthdate: 1/12/48 (San Francisco)

#### **Education:**

College for Financial Planning, Denver, CO - Certified Financial Planner Designation - 1987

University of Southern California, Los Angeles – 1987

Thunderbird School of Global Management, Glendale, AZ - Masters Degree in Business (MBA)/International Business - 1972

University of Portland, Portland, OR – BA Business/Communications – 1971

University of Salzburg, Salzburg, Austria – 8/68 – 6/69

Securities Registration – Series 7, 24, 63, 65 and insurance license

#### **Experience:**

National Planning Corporation, 401 Wilshire Blvd., Suite 1100, Santa Monica, CA 90401 – Registered Representative/Investment Advisor Representative – 5/00 to Present

Ostrofe Financial Consultants, Inc., Grass Valley, CA – Owner/CFP®\* Practitioner/Investment Advisor Representative – 1/88 to Present

Ostrofe Financial Consultants, Inc., Grass Valley, CA – Investment Advisor Representative – 2/84 to 6/88

Associated Securities Corporation, Los Angeles, CA – Registered Representative/Investment Advisor Representative - 6/88 to 4/00

J Walter Thompson, Buenos Aires, Argentina – Director – 1/81 to 4/84

J Walter Thompson, Frankfurt, Germany – 7/73 to 12/80

J Walter Thompson, New York, NY – Account Executive – 6/72 to 6/73

#### **Examinations/Professional Experience:**

Registered Securities Principal, National Association of Securities Dealers - 1987

Consulting Instructor, National College for Financial Planning - 1987

Certified Financial Planner, College for Financial Planning - 1987

The Registry of Financial Planning Practitioners, International Association for Financial Planning - 1987

Institute of Certified Financial Planners member - 1987

Life, Disability, Variable Contract Insurance License - 1986

International Association for Financial Planning member - 1984

Registered Rep., National Association of Securities Dealers - 1984

Instructor Credential, California Community Colleges

Board of Directors (Ethics Committee) - International Assn. of Financial Planning (IAFP), Sacramento, CA,



**Item 3- Disciplinary Information**

Neither the firm nor Allen Ostrofe has any disciplinary history.

**Item 4- Other Business Activities**

Mr. Ostrofe does not have any other business activities to disclose.

**Item 5- Additional Compensation**

Mr. Ostrofe is a Registered Representation and Investment Advisor Representative of National Planning Corporation, and may be an agent appointed with various life, disability or other insurance companies. In such roles, Mr. Ostrofe may receive commissions, 12(b)1 fees, advisory fees or other compensation from the respective product sponsors and/or as a result of effecting securities transactions for clients. While this may pose a conflict of interest, clients are reminded that they are not required to execute any securities transactions through OFC or NPC or any other non-affiliated insurance companies, and that the client has the discretion to exercise these transactions with whom they choose.

**Item 6 - Supervision**

Mr. Ostrofe serves in multiple capacities with the firm, such as President, Chief Compliance Officer, and Investment Advisory Associate. As such, no one supervises his activities, however, the firm does employ policies and procedures to ensure appropriate recordkeeping and supervision functionalities are met.

Name: Frederick Ayer Fisher, CFP®\*  
Birthdate: 2/13/62 (Southern California)

**Education:**

College for Financial Planning, Denver, CO - Certified Financial Planner Designation – 2005  
California State University, Sacramento – Masters of Science in Accounting - 1992  
University of San Diego – Business Degree  
Securities Registration – Series 7, 24, 63, 65 and insurance license

**Experience:**

National Planning Corporation, 401 Wilshire Blvd., Suite 1100, Santa Monica, CA 90401- Registered Representative/Investment Advisor Representative – 5/00 to Present  
Ostrofe Financial Consultants, Inc., Grass Valley, CA – Investment Advisor Representative – 5/00 to Present  
Associated Securities Corporation, Los Angeles, CA – Registered Representative/Investment Advisor Representative - 4/98 to 4/00

**Examinations/Professional Experience:**

Certified Financial Planner, College for Financial Planning – 2005  
Life, Disability, Variable Contract Insurance License - 1986

**Item 3- Disciplinary Information**

Neither the firm nor Frederick Fisher has any disciplinary history.

**Item 4- Other Business Activities**

Mr. Fisher does not have any other business activities to disclose.

**Item 5- Additional Compensation**

Mr. Fisher is a Registered Representative and Investment Advisor Representative of National Planning Corporation, and may be an agent appointed with various life, disability or other insurance companies. In such roles, Mr. Fisher may receive commissions, 12(b)1 fees, advisory fees or other compensation from the respective product sponsors and/or as a result of effecting securities transactions for clients. While this may pose a conflict of interest, clients are reminded that they are not required to execute any securities transactions through OFC or NPC or any other non-affiliated insurance companies, and that the client has the discretion to exercise these transactions with whom they choose.

**Item 6 - Supervision**

Frederick's compliance-related activities are supervised by Allen Ostrofe. His work is reviewed through frequent office interactions, and various checks and balances.

\*The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (collectively, the “CFP® marks”) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP Board”).

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 62,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board’s studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor’s Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board’s financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination – Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one’s ability to correctly diagnose financial planning issues and apply one’s knowledge of financial planning to real world circumstances;
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board’s *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board’s enforcement process, which could result in suspension or permanent revocation of their CFP® certification.