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**FORM ADV PART 2A.**  
**BROCHURE**

**This brochure provides information about the qualifications and business practices of Executive Financial Services, Inc. (the adviser). If you have any questions about the contents of this brochure, please contact us at 734-427-2030. 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 Executive Financial Services, Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Executive Financial Services, Inc. is 110180.**

**Executive Financial Services, Inc. is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.**

### ***Material Changes***

On July 28, 2010, the United State Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that all advisors provide to clients as required by SEC Rules. This Brochure dated **03/08/2011** is a new document prepared according to the SEC’s new requirements and rules. As such, this Document is materially different in structure and requires certain new information that our previous brochure did not require.

In the future, this Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our brochure. We will further provide clients with a new Brochure as necessary based on changes or new information, at any time, without charge. Currently, our Brochure may be requested by contacting us at (734)427-2030.

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### ***Advisory Business***

Executive Financial Services, Inc.'s registration was granted by the U.S. Securities and Exchange Commission on April 10, 2000. Arthur Raymond Cole (CRD Number 2822685) is the President and Chief Compliance Officer of the firm. Mr. Cole owns 50% of the equity of the firm. William Mack (CRD Number 1434254) is the Vice President and owns 40% of the equity of the firm. Theodore Karl Bugenski (CRD Number 2167202) is the Secretary/Treasurer of the firm and owns 10% of the equity of the firm. The firm is not publicly owned or traded. There are no indirect owners of the firm or intermediaries, which have any ownership interest in the firm. Client assets are managed on an individualized basis.

The firm does not sponsor any wrap programs.

As of December 31, 2010, the firm managed, on a discretionary basis, \$69,000,000 of client assets which represented 148 accounts and managed, on a nondiscretionary basis, \$3,000,000 which represented 9 accounts.

Executive Financial Services, Inc. (or "the adviser") offers a "Retainer Service" whereby it provides ongoing investment advice, investment tracking, performance monitoring, trade execution and financial planning to clients. This type of service accounts for approximately 100% of the adviser's business.

Diversification, tax-efficiency, and low-cost investing are the cornerstones of our investment philosophy. The adviser can utilize actively managed and index mutual funds, as well as Exchange Traded Funds (ETFs), when crafting a portfolio strategy designed to achieve a client's specific goals and objectives, based on their risk tolerance level. The client may impose a restriction on investing in certain securities by telling us verbally or in writing.

## ***Fees and Compensation***

The compensation for this service is based on a percentage of the assets being supervised. The annual Retainer Fee schedule is as follows:

1.00% of the first \$1,000,000  
0.80% of the next \$ 500,000  
0.60% on assets over \$1,500,000

The Retainer Fee is payable in advance on a quarterly basis. The client may terminate services at any time without penalty. If termination occurs prior to the end of a full quarter, the client will receive a pro-rated refund for the balance of the quarter. The client does not have to request this refund. The adviser calculates the amount to be refunded and disburses it to the client within one week. The refund is calculated as follows: (Total fee for the quarter/number of days in the qtr)\*days remaining in quarter. The annual fee can be reduced based on the size of the account and the particular circumstances of the client.

The adviser may provide implementation services using "no-load" mutual funds. To utilize this service, there is a one-time, up-front fee of 2% of the assets being invested. This fee can be reduced based on the size of the account and the particular services provided to the client.

In addition to the Retainer Services fees paid by the client to the adviser, the client indirectly pays customary mutual fund expenses, expressed as the "expense ratio," which can be found in the respective fund prospectuses. In some cases, it may be beneficial to purchase the Institutional share class of a fund, which lowers the expense ratio by 0.25% or more. This is done on a case by case basis.

If the client sells certain mutual funds before a 90-day holding period has expired, the client may incur a short-term redemption fee of up to \$199 from the custodian (i.e., Charles Schwab). In addition to custodian's fee, the client may incur a short-term redemption fee from the Mutual Fund Company of 1% to 2% of the amount sold if the fund is sold before the specified holding period expires (normally from 30 days to 180 days). The redemption fee will reduce the proceeds from the sale of the mutual fund.

The adviser offers financial planning services in the areas of insurance, taxes, investment, retirement, college planning and estate planning. Depending on specific client needs, the adviser will analyze a client's present position relative to his/her goals and objectives, and make a recommendation on how best to achieve the client's goals. Compensation for financial planning is based on an hourly rate for the time spent by respective personnel:

Financial Planner:	\$200
Para-Planner:	\$125
Clerical:	\$ 60

An initial deposit of \$500 is required prior to providing planning services. An unconditional money back guarantee is offered if requested within ten (10) days of the presentation of the plan.

***Performance-Based Fees and Side-By-Side Management***

None.

### ***Types of Clients***

Types of clients include individuals, pension plans, profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities. Our minimum portfolio size is \$250,000, but may be negotiable depending on the circumstances of the particular client.



## ***Methods of Analysis, Investment Strategies and Risk of Loss***

### **Methods of Analysis**

Methods of securities analysis will include fundamental analysis and technical analysis.

The adviser measures an investor's goals, risk tolerance and investment time-frame through discussions and meetings with clients in an effort to determine which of our six investment strategies is appropriate for the client. Once the client approves the recommended strategy, an Investment Policy Statement is agreed upon which outlines the specific asset allocation strategy, with a specific risk profile. The Investment Policy Statement outlines the equity and fixed income exposure and provides the parameters that will be used in managing the account.

### **Investment Strategies**

Investment strategies may include long-term purchases (securities held at least 3-5 years), short-term purchases (securities held 1 year or less) and margin transactions depending on the specific needs of a client. These strategies are typically implemented using no-load mutual funds across several different asset classes. The major asset classes the adviser commonly recommends are Cash and Cash Equivalents, Fixed Income Securities, Alternative Strategies, U.S. Large Cap Stocks, U.S. Mid Cap Stocks, U.S. Small Cap Stocks, and International Stocks. As part of our ongoing research, we analyze thousands of actively managed and index mutual funds, as well as Exchange Traded Funds (ETFs). When it is warranted, we will replace a fund in a strategy if we determine that it no longer meets our objectives.

The adviser generally does not recommend specific individual securities or specific sectors within most asset classes. In general, we do not recommend or select funds focused on specific sectors such as Biotechnology, Utilities, Natural Resources, etc. The adviser's recommendations provide exposure to these sectors through funds that invest in a broad asset class.

We generally recommend no-load mutual funds or Exchange-Traded Funds (ETF's) that represent either an index or managed portfolio of individual securities diversified within the target asset class. When recommending a specific fund, we utilize services such as Morningstar to analyze many factors, some of which include: no-load (or load-waived funds), expense ratio, performance, style, category ranking within asset class, manager tenure, market capitalization, and turnover ratio. The adviser also utilizes many sources of public information to include financial news and research materials.

### **Risk of Loss**

Investing in securities carries risk of loss which clients must be prepared to bear. There are risks associated with investing including possible loss of principal. Foreign investing involves special risks, such as risk of loss from currency fluctuation or political or economic uncertainty. Investments in real estate funds or programs involve additional special risks, such as credit risk, interest rate fluctuations and the effect of varied economic conditions. Funds focusing on a single country, sector and/or smaller companies generally experience greater price volatility.

### ***Disciplinary Information***

The adviser has no history of any disciplinary action.

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

The adviser receives investment advisory services from sub-advisor William Mack & Associates, Inc. and, as a result, William Mack & Associates, Inc. shares a portion of the investment advisory fees the adviser charges its clients. William Mack and Theodore Karl Bugenski collectively own 50% of Executive Financial Services, Inc.. Arthur Raymond Cole owns the remaining 50%. William Mack Associate's SEC Number is 801-42259 and firm CRD Number is 107377. William Mack's CRD Number is 1434254 and Theodore Karl Bugenski's CRD Number is 2167202.

Arthur Cole is 100% owner of Cole, Newton & Duran CPA's. Mr. Cole is the President and Owner of this firm. The adviser shares office facilities with Cole, Newton & Duran CPA's. The adviser also engages the firm of Cole, Newton & Duran CPA's to provide clerical and administrative support services. The adviser occasionally refers clients to Cole, Newton & Duran CPA's for tax and accounting services and Cole, Newton & Duran CPA's may refer clients to Executive Financial Services, Inc.

Mr. Cole is also the President of Strategic Investment Services, Inc. a small holding company.

Mr. Cole is also an employee of Second Ebenezer Church holding the position of CFO.

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

The adviser has adopted a written Code of Ethics in compliance with SEC rule 204A-1. The code sets forth standards of conduct and requires compliance with federal securities laws. The code also addresses personal trading and requires our personnel to report their personal securities holdings and transactions to the Chief Compliance Officer of the adviser. We will provide a copy of our Code of Ethics to any client or prospective client upon request.

It is further noted that the adviser is in and shall continue to be in total compliance with The Insider Trading and Securities Fraud Enforcement Act of 1988. Specifically, the adviser has adopted a company-wide policy outlining insider trading compliance by the adviser and all associated persons and employees. This statement has been distributed to all associated persons and employees of the adviser and has been signed and dated by each person. A copy of the policy is left with each person and the original is maintained in a master file. Further, the adviser has adopted a written supervisory procedure statement highlighting the steps which shall be taken to implement the company wide policy. These materials are also distributed to all associated persons and employees of the adviser, are signed and dated, and filed with the insider trading compliance materials. There are provisions adopted for (1) restricting access to the files, (2) providing Continuing Education, (3) restricting and/or monitoring trading on those securities of which employees of the adviser may have non-public information, (4) requiring all employees of the adviser to conduct their trading through a specified broker or reporting all transactions promptly to the adviser, and (5) monitoring the securities trading of the adviser and its employees and associated persons.

As certain situations in which the adviser is involved may represent a conflict of interest, the adviser has established the following restrictions in order to ensure its fiduciary responsibilities:

- 1) A director, officer or employee of the adviser shall not buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No person of the adviser shall prefer his or her own interest to that of the advisory client. Employees of the adviser may, from time to time, buy or sell the same securities that are recommended to the adviser's clients. Such securities are anticipated to be predominately investment company shares listed on a National Exchange or the Over the Counter (OTC) market.

These transactions will be de minimis in nature in relation to the amount of outstanding shares of any such security, and as such, neither the client's nor the employee's buy or sell would affect the market prices of the security in any manner whatsoever.

- 2) The adviser maintains a list of all securities holdings for itself, and anyone associated with the adviser. These holdings are reviewed on a regular basis by Arthur Cole with additional assistance from William Mack & Theodore Bugenski.

- 3) The adviser requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
- 4) Any individual not in observance of the above may be subject to termination.

## ***Brokerage Practices***

The adviser may recommend that clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, Member SIPC/FINRA, to maintain custody of clients' assets and to effect trades for their accounts. Schwab Institutional provides the adviser with access to its institutional trading and operations services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors at no charge to them so long as a total of at least \$10 million of the advisor's clients' account assets are maintained at Schwab Institutional. Schwab Institutional's services include research, brokerage, custody, access to mutual funds and other investments that are otherwise available only to institutional investors or would require a significantly higher minimum initial investment. Schwab Institutional also makes available to the adviser other products and services that benefit the adviser but may not benefit its clients' accounts. Some of these other products and services assist the adviser in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of the adviser's fees from its clients' accounts, and assist with back-office support, recordkeeping and client reporting. Many of these services generally may be used to service all or a substantial number of the adviser's accounts, including accounts not maintained at Schwab Institutional. Schwab Institutional may also provide the adviser with other services intended to help the adviser manage and further develop its business enterprise. These services may include consulting, publications and presentations on practice management, information technology, business succession, regulatory compliance, and marketing. In addition, Schwab may make available, arrange and/or pay for these types of services to the adviser by independent third parties. Schwab Institutional may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to the adviser.

### *Review of Accounts*

Each advisory account will be reviewed at least once a year and more often if requested by the client. Factors triggering a review more frequently would be substantial changes in the client's financial position or financial goals and objectives. Arthur Cole, President, William Mack, Vice President, and/or Theodore Bugenski, Secretary/Treasurer, are responsible for performing account reviews.

A report will be provided, in writing, to each client regarding his or her advisory account at least annually and more often if requested by the client. The report includes the current market value, rate-of-return, and the investment allocation of the account.

Additionally, clients will receive the customary reports from the investment company or account custodian, at least quarterly, showing the holdings in the account and any activity, as well as reports from any mutual funds in which the client may be invested. This information may be sent via postal mail or e-mail.

### ***Client Referrals and Other Compensation***

By written agreement, the adviser compensates certain non-related persons to be solicitors for client introductions and/or referrals. Such compensation may be for an amount up to 25% of a client's annual fee for a period of one year. Complete disclosure is provided to any affected client and the client will be subject to the same fee schedule as other clients of the adviser. In addition, the adviser may refer clients to Cole, Newton & Duran CPA's for tax and accounting work.

The adviser, by maintaining greater than \$5 million under management with certain custodians, may receive a waiver of fees (i.e. file download, on-line services, real time quotes, etc.) and (if applicable) discounted rates on transaction fees (which may benefit the client).



## *Custody*

Not applicable.

### ***Investment Discretion***

The client grants discretionary authority by virtue of the signed Retainer Services Agreement and Investment Policy Statement. Therefore, the adviser may, without first obtaining specific client consent, have the ability to decide upon the securities to be bought and/or sold, the amount of securities to be bought and/or sold, and the transaction fee to be paid.

Any purchases or sales made are consistent with the overall objective, as stated in the approved Investment Policy Statement. More significant changes, such as switching to a different strategy, would be discussed and agreed upon with the client before implementing such a change.

### ***Voting Client Securities***

The adviser does not vote proxy statements on behalf of clients. Client will receive proxies or other solicitations directly from custodian or transfer agent.

### ***Financial Information***

The adviser does not receive fees more than six months in advance. The adviser has no financial commitments that impair its ability to meet contractual and fiduciary commitments to our clients. The adviser has not been the subject of any bankruptcy proceedings.

***Requirements for State-Registered Advisers***

Not applicable.

*Additional Information*

None.