



**First Heartland® Consultants, Inc.**

1839 Lake St. Louis Boulevard  
Lake St. Louis, Missouri 63367  
800-444-7244

**WRAP FEE PROGRAM BROCHURE**  
Disclosure Statement – formerly “Schedule H”  
**“First Heartland® Advantage”**  
**(“FHA”)**

**This wrap fee program brochure provides information about the qualifications and business practices of First Heartland Consultants, Inc. If you have any questions about the contents of this brochure, please contact us at 800-444-7244. 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 First Heartland Consultants, Inc. is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) /the Investment Adviser Public Disclosure site.**

*A wrap fee program brochure takes the place of the advisory firm brochure required by Part 2A of Form ADV, but only for clients of wrap fee programs that the adviser sponsors. See SEC rule 204-3(d) and similar state rules.*

**Item 2 Material Changes** : Amendments to our wrap fee program brochure as of (date) **03/18/2013**  
 In this section we identify and discuss *only material changes* made to the wrap fee program brochure since 12/31/2011 [last annual update]

**No Material Changes.**

**Notes:** *You do not have to provide this information to a client or prospective client who has not received a previous version of your wrap fee program brochure.*

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

Provide a table of contents to your wrap fee program brochure.

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#### **Item 4 Services, Fees and Compensation**

##### **INTRODUCTION**

The First Heartland® Advantage program seeks to meet the various needs of both retail and institutional clients of First Heartland® Consultants, Inc. by offering access to “wrap fee” portfolios through its affiliated, FINRA-registered broker/dealer, First Heartland® Capital, Inc., and through third-party money managers (hereinafter referred to as “Sub-Advisor”) with portfolios for a variety of investment objectives. This program also permits both retail and institutional clients of First Heartland® Consultants, Inc. to have access to a “wrap fee” structure without utilizing a third-party money manager.

A. Portfolios may include Large Cap, Mid Cap, Small Cap, International and Fixed Income Securities, or combinations of those objectives.

When you open an account with us, we will also give you a copy of our ADV Part 2A. It provides additional information about the services we offer as an investment advisor. If applicable, we will also provide you with the selected Sub-Advisor’s Form ADV, Part 2A that further describes their services as an investment advisor.

To begin the process of engaging our services, your Investment Advisor will obtain financial information from you in order to develop investment recommendations that meet your goals and objectives. Your Investment Advisor will review your information and analyze it in order to recommend appropriate products and services based on your investment objectives, investment time horizon and risk tolerance. If applicable, certain information will then be forwarded to the selected Sub-Advisor to perform the services described further below.

We require you to provide your Investment Advisor with updated information regarding your financial condition and changes in your objectives, time horizon or risk tolerance as they occur. We encourage you to contact your Investment Advisor should you have questions about the management of your account.

##### **CUSTODY AND DISCRETION**

By participating in the FHA program, you will designate Pershing, LLC as the custodian for your assets and First Heartland® Capital, Inc., a FINRA-registered broker-dealer affiliated with First Heartland® Consultants, Inc., as your broker/dealer. By designating Pershing as your custodian and First Heartland® Capital, Inc. as your broker/dealer, you may not always receive best execution on certain account transactions. Your Investment Advisor or Sub-Advisor may have policies to aggregate your trades or trades for other clients as disclosed in more detail in our firm’s Form ADV Part 2 or if applicable, each Sub-Advisor’s Form ADV Part 2 or offering document.

To participate in the FHA program, we require you to grant discretionary investment authority to your Investment Advisor and if applicable, the selected Sub-Advisor so that they may take all necessary steps for providing advisory services for your account, such as determining the securities and amount to be bought or sold, within parameters determined as suitable. Suitability is based upon the information provided and agreed to by the client. Your Investment Advisor and/or the selected Sub-Advisor may offer a variety of risk tolerances, from conservative to high risk. The choice of an appropriate risk level is based first upon a client’s evaluation of his/her risk tolerance and secondarily on any limitations to that evaluation that your Investment Advisor and/or the Sub-Advisor deems appropriate or reasonable. Investment Advisors will conduct annual reviews of client accounts.

**FEES** (Item 4, continued)

The maximum wrap fee is 2.5%. As a wrap program, the total fee generally includes fees you will pay related to security transactions as well as fees payable to us, your Investment Advisor, Pershing, LLC, and if applicable, the selected Sub-Advisor. All fees are negotiable, subject to the maximum amount set forth above and are charged on a per account basis. Fees will be billed in advance on a quarterly basis. Sub-Advisors may receive between .50% to .65% of the total wrap fee.

**B. Other Issues Related to Fees**

This program may cost a client more or less than if the client were to purchase the same or similar services separately. Among the factors impacting the cost of the program are the account size, type of account, and if applicable, the particular Sub-Advisor selected.

C. Are there other fees you may pay in addition? Other costs that may be assessed to you and that are not part of the FHA program total fee include fees for portfolio transactions executed away from Pershing, LLC, dealer mark-ups, electronic fund and wire transfers, spreads paid to market-makers and exchange fees, among others. Any and all brokerage account fees, including retirement account annual custodial fees, apply to each of your accounts. The above listed amounts do not include other amounts that you may be subject to such as the initial and ongoing expenses paid to third party investments or third party pooled investment vehicles, such as mutual funds or alternative investments. Such expenses are usually set forth in the applicable offering document or the investment and are payable or borne by you in addition to any fee outlined above.

Mutual fund 12b-1 fees are not applicable in this program if a Sub-Advisor is selected. Mutual fund 12b-1 fees may be applicable in this program if your Investment Advisor serves as portfolio manager for your account.

D. At times, Investment Advisors who recommend services in the FHA program to you and their other clients may receive compensation as a result of your participation in the FHA program. This compensation may be more than what the Investment Advisor would receive if you participated in other programs or services, or paid separately for investment advice, brokerage and other services. Therefore, Investment Advisors may have a financial incentive to recommend the FHA program over other programs or services we offer.

Clients are hereby informed that their Investment Advisors could receive commissions as a result of executing trades for a separate brokerage account of theirs now within the FHA program which could be construed as a conflict of interest.

**TERMINATION**

The wrap fee agreement may be terminated by either party upon receipt of written notification. Any unearned quarterly fees charged in advance will be refunded to you, the client, on a pro-rata basis. Clients wishing to terminate their participation in the FHA program are requested to mail their written notification by certified, return-receipt requested mail to :

First Heartland® Consultants, Inc.  
Attn: First Heartland® Advantage Program  
1839 Lake St. Louis Blvd.  
Lake St. Louis, MO 63367

Disclosure documents will be provided to the client at least forty-eight (48) hours in advance of signing this agreement. If such disclosure documents are not provided at least forty-eight (48) hours in advance of signing this agreement, the client may terminate this agreement within five (5) business days of affixing their signature to this agreement, and will receive a full refund.

### **Item 5 Account Requirements and Types of Clients**

Our firm currently services :

- A. Individuals;
- B. Pension and profit sharing plans;
- C. Trusts, estates, or charitable organizations;
- D. Corporations or business entities.

We are willing to consider other types of clients as well, according to our expertise.

For the “First Heartland Advantage” wrap fee program our firm generally requires a minimum account size of \$100,000.

### **Item 6 Portfolio Manager Selection and Evaluation**

#### **A. SUB-ADVISOR SELECTION**

For inclusion in the FHA program, First Heartland® Consultants, Inc. evaluates Sub-Advisors based on data and information from various third party sources, such as independent databases, and from the particular Sub-Advisor. Among the information we collect and analyze is historical performance, investment philosophy, investment style, historical volatility and correlation across asset classes. We examine the Form ADV, Part 2 of the Sub-Advisor, any applicable offering document, performance reports and other information to help determine the Sub-Advisor’s investment strategy. We also attempt to verify information by comparing it to publicly available sources. First Heartland® Consultants, Inc. will replace Sub-Advisors if they substantially change their investment style or advisory fees.

Investment advisors are responsible for the selection of any Sub-Advisor for a client based upon the client’s specific situation, requirements, and suitability. Investment advisors will recommend the replacement of any Sub-Advisor consistent with its duties as a fiduciary under applicable law.

#### **PERFORMANCE**

Account statements will be forwarded by Pershing LLC to you on a quarterly basis. If trading activity occurs in the account during a month that is not a quarter-end month, a monthly statement will be sent to you. As with all investments, we do not guarantee positive performance results.

We do not review performance information of Sub-Advisors and performance information may not be calculated on a uniform or consistent basis among the Sub-Advisors available through the FHA program. Further, Sub-Advisors may not calculate performance in accordance with any industry or other standards.

### **Item 7 : Client Information Provided to Portfolio Managers**

Describe the information about clients that you communicate to the clients' portfolio managers, and how often or under what circumstances you provide updated information.

We may forward to the wrap fee portfolio manager the following information about you as our client :

- Your name and address and other means of contact;
- Your executed FHA Program Agreement;
- Customer Account Form

### **Item 8 : Client Contact with Portfolio Managers**

Clients are encouraged to interact and consult directly with their Investment Advisor representative. However, clients are free to contact and consult directly with their portfolio managers if the need arises.

### **Item 9 Additional Information**

- A. 1. Disciplinary Information (Item 9 in the ADV, Part 2A) and  
2. Other Financial Industry Activities and Affiliations (Item 10 in the ADV, Part 2A)

Has our firm or any of our management persons been involved in : [answers in red ]

9. A. A criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which our firm or a *management person*

1. was convicted of, or pled guilty or nolo contendere ("no contest") to

(a) any *felony*; **No, our firm has not and no one in our firm has been.**

(b) a *misdemeanor* that *involved* investments or an *investment-related* business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; **No, our firm has not and no one in our firm has been.**or

(c) a conspiracy to commit any of these offenses; **No, our firm has not and no one in our firm has been.**

2. is the named subject of a pending criminal *proceeding* that involves an *investment-related* business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses; **No, our firm has not and no one in our firm has been.**

3. was *found* to have been *involved* in a violation of an *investment-related* statute or regulation; **No, our firm has not and no one in our firm has been.**or

4. was the subject of any *order*, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, your firm or a *management person* from engaging in any *investment-related* activity, or from violating any *investment-related* statute, rule, or *order*. **No, our firm has not and no one in our firm has been.**

9. B. An administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority in which your firm or a management person

1. was found to have caused an investment-related business to lose its authorization to do business; **No, our firm has not and no one in our firm has been.** or

2. was found to have been involved in a violation of an investment-related statute or regulation and was the subject of an order by the agency or authority

(a) denying, suspending, or revoking the authorization of your firm or a management person to act in an investment-related business **No, our firm has not and no one in our firm has been.;**

(b) barring or suspending your firm's or a management person's association with an investment-related business **No, our firm has not and no one in our firm has been.;**

(c) otherwise significantly limiting your firm's or a management person's investment-related activities; **No, our firm has not and no one in our firm has been.**or

(d) imposing a civil money penalty of more than \$2,500 on your firm or a management person. **No, our firm has not and no one in our firm has been.**

9. C. A self-regulatory organization (SRO) proceeding in which your firm or a management person

1. was found to have caused an investment-related business to lose its authorization to do business; **No, our firm has not and no one in our firm has been.**or

2. was found to have been involved in a violation of the SRO's rules and was:

(i) barred or suspended from membership or from association with other members, or was expelled from membership - **No, our firm has not and no one in our firm has been.;**

(ii) otherwise significantly limited from investment-related activities - **No, our firm has not and no one in our firm has been.;** or

(iii) fined more than \$2,500 - **No, our firm has not and no one in our firm has been..**

#### **PRINCIPALS OF FIRST HEARTLAND® CONSULTANTS, INC.**

**David M. Hoff**, born June 1958, received his undergraduate degree from the University of Missouri, St. Louis, in 1979. Mr. Hoff graduated magna cum laude with a BSBA – Management degree. In 1979, six months prior to his college graduation, he entered the life insurance business as a field underwriter with Home Life Insurance Company of New York. During the three-year employment with Home Life, he received his Charter Life Underwriter (10/82) and Chartered Financial Consultant ("ChFC" 10/1983) awarded by the American College in Bryn Mawr, Pennsylvania.

In 1982 Mr. Hoff incorporated his insurance practice, which later became First Heartland® Corporation. Mr. Hoff entered the securities business in 1982 by fulfilling the Series 7 requirements (8/82). Shortly thereafter he qualified as a General Securities Principal, passing the NASD Series 24 examination (2/84). Mr. Hoff secured his Certification as a Financial Planner ("CFP" 4/1989) from the Institute of Financial Planners, Denver, Colorado.

**Julius J. Anderson**, born March 1949, received his undergraduate degree from Wm. Jewel College, Liberty, Missouri, in 1971. He went on to earn a Masters of Divinity from New Orleans Baptist Theological Seminary in 1974. Prior to joining First Heartland® Corporation in 1985, Mr. Anderson was a Regional Vice President with Midwestern United Life Insurance Company located in Ft. Wayne, Indiana. He received his mutual fund / variable annuity and his state securities licenses (Examination Series 6 and 63, respectively) in January 1986. He became Series 7 licensed in June 1992, and qualified as a General Securities Principal (Series 24) in April 1993.

Messrs. Hoff and Anderson are the owners and principals of First Heartland® Capital, Inc. The firm is a Missouri corporation and is a licensed securities broker/dealer with the SEC, FINRA, MSRB and various State jurisdictions. Messrs. Hoff and Anderson are also owners and principals of First Heartland® Corporation. This firm is a Missouri corporation that holds life and health insurance licenses in various states. Messrs. Hoff and Anderson are also members and principals of Centerre Capital, LLC. The firm is a Missouri limited liability company and is a registered Broker/Dealer with the SEC, FINRA, MSRB and various state jurisdictions. Messrs. Hoff and Anderson are also members of Elite Partners, LLC. This firm is a Missouri limited liability company that holds life licenses in various states.

Broker/Dealer transactions for the wrap fee program advisory clients will be effected through First Heartland® Capital, Inc. The firm and or associates of the firm do not currently, but may in the future, invest in the same programs as those that Investment Advisors may recommend to clients of the firm. Clients are hereby notified of the potential for a conflict of interest inherent in such an arrangement. The firm will not effect any cross agency transactions.

**Our Firm's Affiliations with other businesses :**

Our investment advisory firm, First Heartland Consultants, Inc. is related by ownership to :

- (1) two broker-dealers : First Heartland Capital, Inc. (CRD # 32460 ) and  
Centerre Capital, LLC (CRD # 148091)
- (2) two insurance agencies: First Heartland Corporation and Elite Partners, LLC.

Mr. Hoff and Mr. Anderson are the owners and principals of First Heartland Capital, Inc. (FHCI). The firm is a Missouri corporation and is a licensed securities **Broker Dealer** with the SEC, FINRA, MSRB and various State jurisdictions.

Mr. Hoff and Mr. Anderson are also owners and principals of Centerre Capital, LLC (Centerre). The firm is a Missouri limited liability company and is a registered **Broker Dealer** with the SEC, FINRA, MSRB and various State jurisdictions.

Mr. Hoff and Mr. Anderson are also owners and principals of First Heartland Corporation (FHC). This firm is a Missouri corporation that holds **life and health insurance** licenses in various states.

Mr. Hoff and Mr. Anderson are also owners and principals of Elite Partners, LLC (Elite). This firm is a Missouri corporation that holds **life insurance** licenses in various states. The transactions of investment advisory clients may be effected through either FHCI, FHC and/or Centerre, which may generate income to them respectively.

Some investment advice, especially financial plans, may include insurance products. Mr. Hoff and /or Mr. Anderson may receive a commission through First Heartland Corporation and/or Elite Partners, LLC, both licensed insurance agencies, from clients opting to purchase insurance products from those firms.

Mr. Hoff and/ or Mr. Anderson may, from time to time, buy or sell for their own accounts securities that are recommended to their personal clients for sale or purchase. All such client transactions are always submitted to the market prior to transactions for Mr. Hoff's or Mr. Anderson's own accounts.

Likewise an Investment Representative may, from time to time, buy or sell for her or his own accounts securities that they recommend or select for their personal clients' accounts for sale or purchase. All such client transactions are always entered prior to those of the Investment Representative for their own accounts.



- B. (Item 11 in the ADV, Part 2A)
1. Code of Ethics,
  2. Participation or Interest in *Client* Transactions and
  3. Personal Trading.

Participation in or Interest in Client Transactions and Personal Trading: Investment Representatives are required to have and to maintain strict ethical and moral standards, as outlined in the firm's Code of Ethics. Our firm prefers that our representatives have a college degree, but it is not mandatory. We do require annual continuing education for representatives through our affiliated broker-dealers.

Our firm's code of ethics states general standards of conduct for a fiduciary and establishes, among other provisions, policies and procedures to monitor our associates' investment activities. We review certain of our associates' trading activities and holdings to enforce the prohibition against using insider information. If you give us a written request for one, we will provide you, our client or prospective client, with a copy of our Code of Ethics.

[As disclosed also in Item 8. A. of the ADV Part 1A, available to the public online at investment adviser public disclosure], Our firm and its associates **do**

- buy or sell for the firm or for themselves securities (other than shares of mutual funds) that we also recommend to our advisory clients;
- buy or sell for the firm or for themselves shares of mutual funds that we also recommend to our advisory clients;

Our firm and its associates **do not**

- buy securities for the firm or for themselves from advisory clients (principal transactions);
- sell securities the firm or its associates own to advisory clients (principal transactions);
- in their capacity as a broker/ dealer agent, transact purchases or sales of any client's securities directly to any other person (an "agency cross transaction" that side-steps using a securities market place)
- recommend securities (or other investment products) to our advisory clients in which our firm or any person or other firm related to our firm has some other proprietary (ownership) or other financial interest.

When our firm or its personnel buy or sell securities for their own accounts,

- we will always place clients' orders before our own
- we may aggregate or "bunch" our orders with clients' orders

We enforce these guidelines by compliance review of every firm or personnel trade.

The SEC generally dislikes "contemporaneous" trading, that is, that anyone in our firm might enter an order for her or his own account at the same time as an order in the same security for a client. Note that these restrictions are not applied to investments in mutual funds that are unaffiliated with our firm. Unaffiliated means a mutual fund that we have not ourselves created or helped establish and in some way act as the fund's managers.

The possible conflicts of interest that arise whenever we recommend, or, in our discretion, buy or sell for you a security that we may also buy or sell for ourselves are

- using your order's market effect to benefit ourselves ("front running");
- using your order as "inside information" that would give us an unfair advantage in the markets to benefit ourselves or any other person (which is an illegal act);
- gaining a lower brokerage cost for ourselves in bunching orders, which can create an incentive to involve your account in that transaction;
- and, in general, clouding our objectivity in making fiduciary decisions for your account.

Please note that using any insider information, information that is not readily available to all participants in the securities markets (upon making a reasonable effort to obtain that information), for any person, ourselves or relatives or clients or any other person, is strictly illegal and punishable by fines and imprisonment.

*SEC NOTE : Conflicts could arise if an adviser recommends that clients invest in a pooled investment vehicle that the firm advises or for which it serves as the general partner, or when an adviser with a material financial interest in a company recommends that a client buy shares of that company.*

#### 4. (Item 13 in the ADV, Part 2A) : Review of Accounts –

First Heartland assigns each new client to an Investment Representative of the firm. The Investment Representative assigned to each client has the primary responsibility to review and monitor the account. Typically this representative introduced the client to our firm, and is the person most familiar with that client's personal financial condition. Significant changes in market conditions and/or client goals will normally trigger an in-depth review as the occasion may require, on an ad-hoc basis. The firm's principals, David M. Hoff and Julius J. Anderson, are always available to discuss questions clients might have regarding their account.

In addition to all confirmations, each brokerage firm or investment company that holds a client's securities will send that client a quarterly statement. Clients who make a special request will receive a quarterly review from their IR. Every client receives an annual review from her or his IR.

Because we send you an account statement, we urge you, our client, to compare carefully that account statement with any other statement you may receive from the account's qualified custodian.

#### 5. (Item 14 in the ADV, Part 2A) Client Referrals and Other Compensation

Officers and Investment Representatives may receive compensation derived from 12b-1 distribution fees assessed on certain mutual funds held by clients. In addition, Investment Representatives may also receive commissions on transactions executed through affiliated broker dealers in their capacity as Registered Representatives of such affiliated broker/ dealers. Clients are notified here that in such an arrangement there always exists the possibility of a conflict of interest.

Officers and Investment Representatives may receive incentive awards based upon overall production and the receipt of, or the potential to receive, these awards, may affect an Investment Representative's judgment in selecting products sold to clients, creating a possible conflict of interest.

Officers and Investment Representatives may receive solicitor's fees for solicitation activities performed on behalf of a third-party registered investment advisory firm. Such fees are disclosed to the client at the time of the solicitation and in accordance with Rule 206(4)-3 of the Investment Advisor's Act of 1940.

#### 6. (Item 18 in the ADV, Part 2A) : Financial Information

	<p>Investment representatives will seek to have discretion in managing your account. Such discretion will be exercised only with your written permission. We do not require any client to prepay a fee of \$1,200 or more, 6 or more month in advance of services</p> <p>The firm does not have any financial condition that could reasonably seem likely to impair our ability to meet our contractual obligations to you, our client. Our firm has not been the subject of a bankruptcy petition during the last 10 years.</p>
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**Item 10 Requirements for State-Registered Advisers**

**If this firm is registered or is registering with one or more *state securities authorities*, it must respond to the following additional Item.** [Respond to Item 19.E of Part 2A of Form ADV.] **Not Applicable.**