

Personal Choice Financial Advisors, LLC
Part 2A of Form ADV
The Brochure



PERSONAL CHOICE
FINANCIAL ADVISORS, LLC

Investing in the growth of your future

4555 Lake Forest Dr. Ste 650
Cincinnati, OH 45242
513-588-8080

Updated : March 30, 2012

This brochure provides information about the qualifications and business practices of Personal Choice Financial Advisors, LLC (“PCFA”). If you have any questions about the contents of this brochure, please contact us at 513-588-8080. 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 PCFA is also available on the SEC’s website at: www.adviserinfo.sec.gov.

Material Changes

PCFA's most recent update to Part 2 of Form ADV was made in March 2010. PCFA's business activities have not changed materially since the time of that update. However, in 2010 the SEC required significant changes to the content and format of Part 2 of Form ADV. This brochure, which reflects those changes, is materially different from brochures used by PCFA in prior years.

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Advisory Business

PCFA is an independent, fee-only registered investment advisor which provides financial advisory services, investment management, retirement planning, and estate planning. PCFA also provides general advice with regard to personal financial matters such as buying vs. leasing a home or car, and funding educational or business needs. Please note that registration as an investment adviser does not imply a certain level of skill or training. All advisory services are included in the fee described in the Fees and Compensation section, below. PCFA's clients include high-net-worth individuals and associated trusts and estates, small business owners and associated pension and profit sharing plans, and other legal entities. PCFA generally invests client assets in domestic and international stocks, bonds, and mutual funds.

PCFA works with each client to establish an appropriate investment profile. Clients choose from growth, balanced, and conservative strategies. Clients may impose reasonable restrictions on PCFA's management of their accounts if appropriate.

PCFA was founded in 2002 and is owned by John M. Britton and Christopher H. Hansen. As of March 30, 2012 PCFA managed approximately \$77 million, \$68 million of which is managed on a discretionary basis, on behalf of approximately 168 clients.

Fees and Compensation

PCFA charges most of its clients an annual investment management fee based on the following schedule:

<u>Assets under management</u>	<u>Annual Fee</u>
First \$1 Million	1.00%
Amounts in excess of \$1 Million & up to \$3 Million	.5%
Amounts in excess of \$3 Million	.25%

PCFA may occasionally allow for the negotiation of lower fees in certain instances, such as for charitable organizations or for a client's family members.

PCFA's annual fee is charged on a quarterly basis in advance, based on the account value at the end of the prior quarter. Most clients authorize PCFA to deduct fees automatically from their brokerage accounts, but clients may request that PCFA send quarterly invoices to be paid by check.

If a client terminates the investment management agreement with PCFA in the middle of a billing period, PCFA will refund a pro-rated amount based on the number of days remaining in the quarter. In addition, if a client contributes more than \$100,000 during a quarter, PCFA will prorate the fees on this contribution. Contributions of less than \$100,000 and partial withdrawals of client assets are not pro-rated and will be reflected in PCFA's fee calculation for the entire quarter.

The majority of client assets are invested in unaffiliated, no-fee or fee-waived mutual funds. In addition to PCFA's investment management fees, clients may be charged brokerage and other transaction costs with respect to any individual securities traded in their accounts. The majority of PCFA's client assets are held with Charles Schwab & Co., Inc. which imposes transaction charges at a rate PCFA believes to be competitive versus alternative options.¹ To the extent that clients' accounts are invested in mutual funds, these funds pay a separate layer of management, trading, and administrative expenses. PCFA does not share in the fees charged by the mutual funds' investment managers.

Performance Based Fees

PCFA does not charge any performance based fees. Some investment advisers experience conflicts of interest in connection with performance based fees as greater risk may be taken beyond the client's risk tolerance in order to increase performance. However, these conflicts of interest are not applicable to PCFA.

¹ Please see the Brokerage Practices section for further information.

Types of Clients

PCFA's clients include high-net-worth individuals and associated trusts and estates, small business owners and associated pension and profit sharing plans, endowment funds, and other legal entities. PCFA's minimum account size is generally \$500,000, but this amount is negotiable on a case-by-case basis at the discretion of PCFA.

Investment Philosophy, Risk Management and Methods of Analysis

PCFA invests for relatively long time horizons in the belief that adherence to portfolio asset allocation appropriate to the client's ability to handle investment risk is of paramount importance. Further, PCFA believes that investor behavior is the greatest determinant of investor success or failure, and PCFA's primary mission is to assist the client in dealing with the inherent fear generated by downside market volatility. While PCFA believes that portfolio asset allocation should be adhered to under all but the most extreme market conditions, PCFA recognizes that accommodations must be made for income. Historically speaking, market recovery has always eventually occurred and while there is no guarantee, PCFA's investment philosophy assumes that recovery will follow market declines now and in the future. Please note that no guarantee or promise for future performance can be made regardless of historical trends. All investing involves a risk of loss.

PCFA's Investment Committee consists of its owners, John M. Britton and Christopher H. Hansen, who work together to conduct analysis on all securities recommended for client accounts. This analysis varies depending on the security in question. For stocks and bonds the analysis generally includes a review of:

- The issuer's management;
- The amount and volatility of past profits or losses;
- The issuer's assets and liabilities, as well as any material changes from historical norms;
- Prospects for the issuer's industry, as well as the issuer's competitive position within that industry;
- Dividend payout ratio, and;
- Any other factors considered relevant.

For mutual funds the analysis generally includes a review of:

- Fee structure and expense ratio;
- Length of tenure of managers;
- Management type and style;

- Historical risk and performance relative to peers;
- Historical performance compared to peer funds over various time frames
- Any other factors considered relevant.

PCFA does not engage in short selling. Option writing is strictly limited to covered calls but is seldom utilized. The use of margin is never recommended for investment purposes, although a client may choose to utilize borrowing for short term cash needs from their portfolio through the use of margin.

Disciplinary Information

PCFA and its employees have not been involved in any legal or disciplinary events since its inception that would be material to a client's evaluation of the company or its personnel.

Other Financial Industry Activities and Affiliations

PCFA and its employees do not have any relationships or arrangements with other financial services companies that pose material conflicts of interest.

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

PCFA has adopted a written code of ethics that applies to all employees. Among other things, the code requires PCFA and its employees to put clients' best interests first and foremost in all respects. All employees must abide by all applicable rules and regulations (i.e., the federal securities laws), and must avoid even the appearance of conflict of interest or inappropriate business practices. Employees must pre-clear personal securities transactions and subsequently report securities holdings and transactions to the Chief Compliance Officer. PCFA's policies and restrictions on personal securities trading apply to employees and their immediate family members living in the same household. PCFA will provide a copy of their code of ethics to any client or prospective client upon request.

PCFA's employees are not permitted to trade alongside client accounts with respect to securities other than open-end mutual funds, which are priced at the end of the trading day. With respect to securities that trade intra-day, employees are not allowed to participate in partially filled orders until all client orders have been filled. The Chief Compliance Officer monitors employee trading, relative to client trading to ensure that employees do not engage in improper transactions.

Brokerage Practices

Clients are allowed to select their own brokerage firm, but PCFA generally recommends that clients arrange for their assets to be held with Charles Schwab & Co., Inc. ("Schwab"). Clients should note that by directing brokerage or by PCFA primarily recommending Schwab, PCFA may

be unable to achieve the most favorable execution for client transactions; this practice thus may theoretically cost clients more money over time in terms of the execution price obtained.

PCFA has managed client assets held at Schwab for many years and has found that Schwab offers good services at competitive prices. PCFA conducts comparisons of brokerage firms occasionally to determine if better benefits and/or lower costs might be obtained elsewhere. To date, no other brokerage company has been able to offer advantages significant in PCFA's opinion enough to warrant changing custodians.

Soft Dollar Benefits

PCFA receives certain products and services from Schwab free of charge or at discounted rates. These products and services include:

- The receipt of duplicate client confirmations, statements, and other account information;
- Direct advisory fee debiting capabilities;
- Access to an electronic network for order entry, including the simultaneous entry of trades on behalf of multiple client accounts; and
- A portfolio management system and discounted software that supports PCFA's research and investment processes.

In addition, periodically Schwab will offer business related seminars or business conferences either locally or by webcast (internet) for PCFA employees at no charge.

Periodically Schwab provides admittance to local sports or entertainment events at no charge.

PCFA does not believe that clients whose accounts are held by Schwab bear any additional costs in connection with PCFA's receipt of the products and services. Furthermore, Schwab's provision of these products and services is not contingent upon PCFA formally committing any specific amount of business to Schwab. As such, PCFA does not believe it is "paying up" to receive such products and services. However, PCFA would not receive these products and services if client accounts were not held in custody and client securities were not traded through Schwab. PCFA's receipt of these products and services creates a conflict of interest in connection with PCFA's recommendation of Schwab because PCFA does not have to produce or pay for the research, products or services. PCFA may have an incentive to recommend Schwab based on its interest in receiving the research or other products or services, rather than on its clients' interest in receiving most favorable execution and custodial services at the most favorable price. In addition, some of the products and services listed above benefit clients whose accounts are held by other custodians.

The Selection of Trading Counterparties

The majority of PCFA's investments are no-fee or fee-waived mutual funds. The remainder of client assets that may be invested in individual stocks, bonds, or closed-end funds generally do not represent an adequate opportunity to trade with other brokerage firms outside of Schwab (or other selected custodian, as applicable) such that a benefit to the client could be obtained.

A client specifically requesting that their accounts only be traded through a particular broker-dealer must realize this limits PCFA's ability to seek best execution. Trading restrictions of this nature may result in materially higher trading costs and reduced returns.

On at least an annual basis PCFA's Chief Compliance Officer evaluates the pricing and services offered by Schwab with those offered by other reputable firms. PCFA has sought to make a good-faith determination that Schwab provides clients with good services at competitive prices. However, clients should be aware that this determination could have been influenced by PCFA's receipt of products and services from Schwab. Historically PCFA has concluded that Schwab is at least as good as, or better than, the other firms that have been considered. As of the current revision date of this document, Schwab has the largest amount of independent advisor assets and the greatest number of independent advisors in the industry. PCFA would notify its clients if it were to determine that another firm offered better pricing and services than Schwab.

Aggregated Trades

PCFA does not aggregate or bunch trades, otherwise known as block trades, as a matter of company policy. As such, clients may not benefit from certain advantages of aggregating trades, such as reduced transaction costs.

When multiple clients wish to trade the same security, on the same day, PCFA will submit trades for execution in a manner deemed equitable over time in terms of the order of trade entry. PCFA will attempt to submit such trades for execution at or around the same time in an attempt to limit or avoid material differences in execution price among clients.

Client Referrals

PCFA does not consider, in selecting or recommending Schwab or any other custodian or broker-dealer, whether PCFA receives client referrals from such parties.

Review of Accounts

The owners and Managing Members of PCFA, John M. Britton and Christopher H. Hansen each manage their own group of client accounts. Accounts are monitored on an ongoing basis by their respective Managing Member. Each account is reviewed in detail on at least an annual basis, as well as in connection with each client meeting. Reviews of client accounts will also be triggered if a client changes his or her investment objectives, or if the market, political, or economic environment changes materially.

Clients receive account statements directly from Schwab or their chosen custodian on at least a quarterly basis. PCFA will typically supplement these custodial statements with reports provided on a quarterly basis, during client meetings or as requested.

Client Referrals

To date PCFA has not done any advertising or other forms of mass marketing for the purpose of soliciting new business. PCFA does not pay any organization or individual for referrals. PCFA relies primarily on referrals from existing clients for new business. No form of compensation is paid for such referrals.

Professional Referrals

PCFA may occasionally recommend a client obtain professional assistance for legal, accounting or other matters outside of PCFA's field of expertise, and may refer clients to other professionals in these areas. PCFA makes these referrals based on PCFA's experience with and knowledge of the other professional's competence and expertise. PCFA receives no compensation or consideration for such referrals that would be considered a conflict of interest.

Custody

PCFA does not have custody of any client assets beyond the ability to direct debit investment advisory fees upon instruction to the custodian, if the client has selected such method of payment. With very few exceptions, all client accounts are held by Schwab, which sends statements directly to the account owners on a monthly, or at least a quarterly basis. Clients should carefully review these statements, and should compare these statements to any account information provided by PCFA.

Investment Discretion

PCFA has investment discretion over clients' accounts as authorized by each client individually. Clients grant PCFA trading discretion through the execution of a limited power of attorney included in PCFA's advisory agreement.

Clients may place reasonable restrictions on PCFA's investment discretion. For example, some clients have asked PCFA not to buy securities issued by companies in certain industries, or not to sell certain securities where the client has a particularly low tax basis.

Proxy Voting Client Securities

In accordance with its fiduciary duty to clients and Rule 206(4)-6 of the Investment Advisers Act of 1940, PCFA has adopted and implemented written policies and procedures governing the voting of client securities. All proxies that PCFA receives will be treated in accordance with these policies and procedures.

PCFA considers the reputation, experience, and competence of a company's management and board of directors when it evaluates a prospective investment. In general, PCFA votes in favor of routine corporate matters, such as the re-approval of an auditor or a change of a legal entity's name. PCFA also generally votes in favor of compensation practices and other measures that are in-line with industry norms, that allow companies to attract and retain key employees and directors, that reward long-term performance, and that align the interests of management and shareholders.

PCFA has not identified any material conflicts of interest in connection with past proxy votes. Such a conflict could arise if, for example, a client was a senior executive with a publicly traded

company and other clients held securities issued by that company. Absent specific client instructions, if PCFA identifies a material conflict of interest it may abstain from voting.

A complete copy of PCFA's proxy voting policies and procedures, as well as specific information about how PCFA has voted in the past, is available upon written request to John Britton. Please see the contact information on the cover page of this brochure. Upon written request, clients can also take responsibility for voting their own proxies, or can give PCFA instructions about how to vote their respective shares.

Financial Information

PCFA has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts.



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Part 2B of Form ADV The Brochure Supplement

Updated: March 2012

This brochure supplement provides information about John M. Britton and Christopher H. Hansen. It supplements PCFA's accompanying Form ADV brochure. Please contact PCFA's Chief Compliance Officer, John M. Britton at 513-588-8080 if you have any questions about the Form ADV brochure or this supplement, or if you would like to request additional or updated copies of either document.

Additional information about Messrs. Britton and Hansen is available on the SEC's website at www.adviserinfo.sec.gov.

John M. Britton - Date of Birth: 07/14/1946

Education:

University of Cincinnati, Ohio College of Applied Science (now the College of Engineering and Applied Science), Cincinnati, OH – attended from 1971 to 1973, received 2 scholarships, was a member of Tau Alpha Phi Engineering Society, and was voted Student of the Year for 1973. He graduated cum laude in 1973 with an Associates in Applied Science

Business Background:

Personal Choice Financial Advisors, LLC, a Registered Investment Advisor (formerly Christopher Hansen d/b/a Hansen Financial Management, an investment adviser from 11/2001 to 07/2002)

Managing Member – 07/2002 to Present

Spectrum Financial Services, Inc., a financial services firm

Vice President – 01/1994 to 12/1999

Britton Consulting Services, an investment adviser

Owner – 10/1995 to 12/1999

FSC Securities Corporation, a broker/dealer

Registered Representative – 08/1995 to 11/2001

Personal Choice Properties, LLC – May 19, 2005 to present

John Britton engages in part time real estate investment activities as a managing member through Personal Choice Properties, LLC. These activities are unrelated to the primary business of managing Personal Choice Financial Advisors, LLC.

Christopher H. Hansen

Date of Birth: 07/1962

Education:

Hillsborough Community College, Tampa, FL – attended from 1980 to 1982, graduated in 1982 with an AA

University of South Florida, Tampa, FL – attended from 1982 to 1985, graduated in 1985 with a BS in Chemical Engineering

Business Background:

Personal Choice Financial Advisors, LLC, an investment adviser (formerly Christopher Hansen d/b/a Hansen Financial Management, an investment adviser from 01/1992 to 07/2002)

Managing Member, Advisory Representative – 07/2002 to Present

Spectrum Financial Services, Inc., a financial services firm

Shareholder, employee – 01/1999 to 11/2001

Spectrum Advisory Services, LLC, an investment adviser

Managing Member – 01/1999 to 11/2001

FSC Securities Corporation, a broker/dealer

Registered Representative – 10/1995 to 11/2001

CRMD PROPERTIES, LLC – May 19, 2005 TO PRESENT

Chris Hansen engages in part time real estate investment activities as a managing member through CRMD Properties, LLC. These activities are unrelated to the primary business of managing Personal Choice Financial Advisors, LLC.

COPS Protective Services – January 201 to present

Chris Hansen engages in part time retail sales of law enforcement and emergency equipment as a part owner of the business. These activities are unrelated to the primary business of managing Personal Choice Financial Advisors, LLC.