
Moller Financial Services

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This Brochure provides information about the qualifications and business practices of Moller Financial Services. If you have any questions about the contents of this Brochure, please contact us at 847-441-7575 or info@mollerfinancial.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Moller Financial Services is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about Moller Financial Services also is available on the SEC's website at www.adviserinfo.sec.gov.

Material Changes

Types of Advisory Services

There are no material changes since the date of our last brochure (December 31, 2011).

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Advisory Business

Firm Description

Moller Financial Services was founded in 1991 by John (Jack) Moller. The company employs seven people including three CERTIFIED FINANCIAL PLANNER™ professionals – Jack Moller, CFP®; Nate Eads, CFP®; John Nowak, CFP®, CPWA®. Jack Moller is the principal owner of the company (over 90% ownership). Employees own the remaining shares. The firm is federally registered with the SEC (Securities and Exchange Commission) as a Registered Investment Adviser.

Moller Financial Services offers personal financial planning and investment management services to individuals, families, trusts, and charitable organizations. We work with clients to define financial objectives and to develop strategies for reaching those objectives.

Areas of focus may include:

- Investment management
- Tax planning
- Charitable giving
- Estate planning
- Education funding
- Retirement planning
- Insurance risk review
- Special needs planning
- Other issues important to the client

Types of Advisory Services

Our services begin with a personalized financial plan including strategies and recommendations to achieve the client's objectives.

Financial Plan

- Identify and quantify important financial objectives
- Recommend investment strategy to achieve objectives
- Suggest actions to reduce income and estate taxes
- Review estate documents and net worth for changes or updates to consider
- Determine coverage for life, disability, and long-term care insurance
- Address additional items identified by the client

After reviewing and discussing the financial plan, the client may choose to have Moller Financial Services implement the recommendations, manage their investments, and update their plan. Moller Financial Services offers two types of management service.

Comprehensive Wealth Management

- Investment management
- Quarterly reports
- Quarterly review of financial plan

Asset Management

- Investment management
- Quarterly reports
- Biennial review of financial goals (every other year)

See the Review of Accounts section for more details on our management process.

Managed Assets

Moller Financial Services manages \$276,000,000 of client assets on a discretionary basis and \$0 on a non-discretionary basis as of December 31, 2012. Discretion refers to an investment manager's ability to decide which securities to purchase and sell for their client.

Fees and Compensation

Compensation Schedule

Moller Financial Services is a fee-only advisory firm. Clients pay the company directly for financial advice and services. Moller Financial Services does not accept commissions or compensation from third parties. Below is a schedule of fees for our services.

Financial Plan

- \$2,000

Investment Management

- 1.00% per annum of first \$1,000,000 of assets;
- 0.50% per annum of next \$4,000,000 of assets;
- 0.35% per annum on all assets above \$5,000,000

Minimum Cost (Quarterly)

- Comprehensive Wealth Management: \$2,000
- Asset Management: \$750

Other service and fee arrangements may be made at the firm's discretion.

Billing

Clients may pay by check or authorize Moller Financial Services to directly debit their account. The invoice amount is based on the account value at the end of each calendar quarter. If you begin or end management services during a calendar quarter, we will charge a prorated fee.

Other Costs

The client may incur expenses in addition to Moller Financial Services' costs including:

- mutual funds and exchange traded funds expenses
- brokerage commissions
- transaction fees
- custodial fees
- wire transfer and electronic fund fees
- taxes

Moller Financial Services does not receive any portion of these expenses.

The Brokerage Practices section describes the factors that Moller Financial Services considers in selecting broker-dealers, such as Charles Schwab, for client transactions and determining the reasonableness of their expenses.

Clients are also responsible for compensation paid to attorneys, accountants, agents, and brokers whom they choose to implement legal, tax, or insurance parts of their plan.

Performance-Based Fees

Moller Financial Services does not charge performance-based fees (fees based on a share of capital gains on or capital appreciation).

Types of Clients

Moller Financial Services generally provides investment advice to individuals, families, trusts, and charitable organizations. Client relationships vary in scope and length of service. We do not impose a minimum dollar value of assets or other condition for opening or maintaining an account.

Methods of Analysis, Investment Strategies and Risk of Loss

Investment Strategy

Moller Financial Services bases the investment strategy on the client's financial resources, objectives, and tax situation. We discuss the recommended strategy with the client during the Financial Plan meeting and provide updates with our regularly scheduled reports.

We generally use low-cost mutual funds and exchange-traded funds (ETFs). However, our recommendations may be limited to available funds within a client's retirement plan. The strategy includes investments such as stocks and bonds, domestic and international countries, and individual sectors.

Moller Financial Services primarily uses strategic asset allocation to manage client accounts. Strategic asset allocation is a long-term approach that maintains a consistent target for stocks, bonds, and cash. For some clients, we make tactical adjustments to the target allocation based on the investment's 200-day and 50-day moving averages.

Method of Analysis

Moller Financial Services analyzes different characteristics when selecting investments including: asset class, cost, performance, strategy, and size. The main sources of information include Morningstar, fund prospectuses, financial newspapers and magazines, and research materials prepared by others. Employees of Moller Financial Services also attend conferences and visit with investment company personnel.

Certain investments apply fundamental analysis. These mutual funds and ETFs use financial information such as sales, cash flow, and/or dividends to determine how much to invest in a company.

Risk of Loss

Investing in securities involves risk of loss that clients should be prepared to bear.

Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of the firm or the integrity of management. Moller Financial Services has no applicable events to report.

Other Financial Industry Activities and Affiliations

Activities

Moller Financial Services does not participate in any other industry business activities.

Affiliations

Registered investment advisers are required to disclose material affiliations or arrangements that may create a conflict of interest for clients. Moller Financial Services has no relationships to report.

Code of Ethics

Policy

The employees of Moller Financial Services have committed to a Code of Ethics. The Code of Ethics includes provisions relating to:

- Confidentiality of client information
- Personal security transactions
- Insider trading
- Gifts and entertainment
- Whistleblower protection

The firm will provide a copy of the Code of Ethics to any client or prospective client upon request.

Participation or Interest in Client Transactions

Moller Financial Services' employees may at times buy or sell securities that are also owned by clients. Employees may not prioritize their own trades ahead of client trades.

The Chief Compliance Officer is John Nowak. John reviews all employee trades each quarter. His personal trades are reviewed by Jack Moller, President. The personal trading reviews ensure that the personal trading of employees was not based on inside information and not to the detriment of clients. The employee trades are not of a significant enough value to affect the securities markets.

Brokerage Practices

The Custodian and Brokers We Use

Your assets must be maintained in an account at a “qualified custodian”. We recommend that clients use Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member SIPC, as the qualified custodian. Moller Financial Services is independently owned and operated and is not affiliated with Schwab. Schwab holds your assets in a brokerage account and will buy and sell securities when we instruct them. While we recommend that you use Schwab as custodian, you will decide whether to do so and will open your account with Schwab by entering into an account agreement directly with them. We will assist you in opening accounts. Even though Schwab maintains your account, we can still use other brokers to execute trades for your account.

How We Select Brokers/Custodians

We review Schwab and competitors’ business practices to recommend a custodian/broker to hold your assets and execute transactions. We consider a wide range of factors, including, among others:

- Capability to buy and sell securities for your account
- Capability to facilitate transfers and payments
- Breadth of available investment products
- Availability of investment research
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.)
- Reputation, financial strength, and stability
- Prior service to us and our clients

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- Availability of other products and services that benefit us, as discussed below

Products and Services Available to Us from Schwab

Schwab Advisor Services™ serves independent investment advisory firms like us. They provide our clients and us with access to its institutional services that are not typically available to retail customers. Schwab also provides various support services. These services help us manage clients' accounts and manage our business. Schwab's support services generally are available at no charge to us as long as our clients collectively maintain a total of at least \$10 million of their assets at Schwab. If our clients collectively have less than \$10 million at Schwab, Schwab may charge us quarterly service fees of \$1,200. Following is a more detailed description of Schwab's support services:

Services That Benefit You

- Access to a broad range of investment products and services
- Execution of trades
- Custody of assets

Services That May Not Directly Benefit You

Schwab provides investment research, both their own and from third parties. We may use this research to service our clients' accounts, including accounts not maintained at Schwab. In addition, Schwab provides software and other technology that:

- Provide access to client account information
- Facilitate trades and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate payment of our fees from our clients' accounts
- Assist with back-office functions, recordkeeping, and client reporting

Services That Generally Benefit Only Us

Schwab also offers other services intended to help us manage our business including:

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs

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- Publications and conferences on practice management and business succession

Schwab provides these services itself or arranges for third-party vendors to provide the services to us. Schwab may discount or waive fees for some of these services. Schwab may also provide occasional business entertainment to our personnel.

How We Use These Services

We use most of the previously mentioned services from Schwab. These services allow us to focus on what is most important to our clients: providing financial planning advice and managing their investments.

Aggregate Orders

Moller Financial Services places separate trade orders for each client account. Other investment managers may aggregate (block) trades for multiple accounts and allocate securities to each client when executed. Block trades result in an average price for each client. Individually placed trades may have a higher or lower price than the aggregate method.

Aggregate orders do not apply to mutual fund orders because prices are determined at the end of day for all trades.

Review of Accounts

Investment Review

Clients may have several accounts that we manage as one household portfolio. A Financial Planner reviews portfolio approximately every two weeks. If the portfolio's asset allocation moves away from the target by a certain amount, we will buy or sell an investment to reach the target allocation.

Regular Reports

We provide written reports to clients on a quarterly basis.

Contents

- Investing narrative
- Portfolio recommendations
- Comprehensive Wealth Management (if applicable)
 - Quarter 1 – Goal Planning
 - Quarter 2 – Estate Planning
 - Quarter 3 – Insurance Planning
 - Quarter 4 – Tax Planning
- Portfolio holdings
- Portfolio performance
- Trades since last report

Client Referrals and Other Compensation

Incoming Referrals

We have been fortunate to receive many client referrals over the years. The referrals have come from clients, attorneys, accountants, insurance agents and brokers, employees, and other sources. The firm does not pay for referrals.

Referrals to Other Professionals

We do not accept referral fees or any form of remuneration from other professionals when a client is referred to them.

Custody

As defined by the SEC, Moller Financial Services has custody of your assets if you authorize us to instruct Schwab to deduct advisory fees directly from your account or if you grant us authority to move your money to another person's account. Schwab maintains physical custody of your assets. Schwab will send you statements at least quarterly by mail or email. You should carefully review those statements promptly when you receive them. We also urge you to compare Schwab's account statements to the periodic portfolio reports you will receive from us.

Moller Financial Services may also have custody if we can access an account using the client's online credentials and are able to transfer or withdraw funds. This situation may happen with accounts such as company retirement plans and qualified education plans. The plan/custodian should send you statements at least quarterly. We urge you to compare your plan/custodian's account statements to the periodic portfolio reports you will receive from us.

The SEC requires an annual surprise audit of custody accounts by an independent CPA firm. Moller Financial Services complies with this requirement.

Investment Discretion

Discretionary Authority for Trading

Moller Financial Services accepts discretionary authority to manage investment accounts on behalf of clients. Discretionary trading authority facilitates placing trades in clients' accounts to promptly implement and follow the investment plan. In most cases, we provide clients with an opportunity for review and discussion before implementing our recommendations.

Clients may place trading restrictions on the account such as:

- Exclude a security from management
- Hold a minimum amount of a security
- Sell or purchase a particular security over time

Limited Power of Attorney

Clients must sign a limited power of attorney before Moller Financial Services is given discretionary authority. The limited power of attorney is included in Schwab's account application. For accounts not held at Schwab, clients may sign a separate limited power of attorney document.

Voting Client Securities

Guidelines

In the absence of specific voting guidelines from the client, Moller Financial Services will vote all proxies from a specific issuer the same way for each client. Clients may place reasonable restrictions on Moller Financial Services' voting authority.

Moller Financial Services will generally vote in favor of routine corporate housekeeping proposals such as the election of directors and selection of auditors absent conflicts of interest raised by an auditor's non-audit services and poor director attendance.

Moller Financial Services will generally vote against proposals that cause board members to become entrenched or cause unequal voting rights.

In reviewing proposals, Moller Financial Services will further consider the opinion of management, the effect on shareholder value, and the issuer's business practices.

Conflicts of Interest

Moller Financial Services will identify any conflicts that exist between the interests of the adviser and the client by reviewing the relationship of Moller Financial Services with the issuer of each security to determine if Moller Financial Services or any of its employees has any financial, business or personal relationship with the issuer.

If a material conflict of interest exists, John Nowak, Chief Compliance Officer, will disclose the conflict to the affected clients. Clients may have the opportunity to vote the proxies themselves, or have their proxies voted according to Moller Financial Services' policy.

Recordkeeping

Moller Financial Services maintains a separate file recording the history of all proxy votes. Clients may obtain a record of how the company voted proxy issues on their behalf by submitting a written request or calling us.

Financial Information

Moller Financial Services does not have any financial impairment that will preclude the firm serving their clients and has not been the subject of a bankruptcy proceeding.