



Form ADV, Part II - Disclosure Document

JANUARY 2010

Uniform Application for Investment Adviser Registration

Part II - Page 1

OMB APPROVAL

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Name of Investment Adviser:

TMD & Associates, Inc.

| | | | | |
|------------------------------|---------|---------|------------|------------------------------|
| Address: (Number and Street) | (City) | (State) | (Zip Code) | Area Code: Telephone number: |
| 3800 N. Central Avenue #860 | Phoenix | AZ | 85012 | 602 279-2020 |

This part of Form ADV gives information about the investment adviser and its business for the use of clients.

The information has not been approved or verified by any governmental authority.

Table of Contents

| <u>Item Number</u> | <u>Item</u> | <u>Page</u> |
|--------------------|---|-------------|
| 1 | Advisory Services and Fees | 2 |
| 2 | Types of Clients | 2 |
| 3 | Types of Investments | 3 |
| 4 | Methods of Analysis, Sources of Information and Investment Strategies | 3 |
| 5 | Education and Business Standards | 4 |
| 6 | Education and Business Background | 4 |
| 7 | Other Business Activities | 4 |
| 8 | Other Financial Industry Activities or Affiliations | 4 |
| 9 | Participation or Interest in Client Transactions | 5 |
| 10 | Conditions for Managing Accounts | 5 |
| 11 | Review of Accounts | 5 |
| 12 | Investment or Brokerage Discretion | 6 |
| 13 | Additional Compensation | 6 |
| 14 | Balance Sheet | 6 |
| | Continuation Sheet | Schedule F |
| | Balance Sheet, if required | Schedule G |

(Schedules A, B, C, D, and E are included with Part I of this Form, for the use of regulatory bodies, and are not distributed to clients.)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

1. A. Advisory Services and Fees. (check the applicable boxes)

For each type of service provided, state the approximate % of total advisory billings from that service. (See instructions below.)

Applicant:

- | | | | | |
|-------------------------------------|-----|---|-----------|---|
| <input checked="" type="checkbox"/> | (1) | Provides investment supervisory services | <u>75</u> | % |
| <input checked="" type="checkbox"/> | (2) | Manages investment advisory accounts not involving investment supervisory services | <u>10</u> | % |
| <input checked="" type="checkbox"/> | (3) | Furnishes investment advice through consultations not included in either service described above | <u>0</u> | % |
| <input type="checkbox"/> | (4) | Issues periodicals about securities by subscription | | % |
| <input type="checkbox"/> | (5) | Issues special reports about securities not included in any service described above | | % |
| <input type="checkbox"/> | (6) | Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities | | % |
| <input checked="" type="checkbox"/> | (7) | On more than an occasional basis, furnishes advice to clients on matters not involving securities | <u>15</u> | % |
| <input type="checkbox"/> | (8) | Provides a timing service | | % |
| <input type="checkbox"/> | (9) | Furnishes advice about securities in any manner not described above | | % |

(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)

B. Does applicant call any of the services it checked above financial planning or some similar term?

Yes ☒ No ☐

C. Applicant offers investment advisory services for: (check all that apply)

- | | |
|--|--|
| <input checked="" type="checkbox"/> (1) A percentage of assets under management | <input type="checkbox"/> (4) Subscription fees |
| <input checked="" type="checkbox"/> (2) Hourly charges | <input type="checkbox"/> (5) Commissions |
| <input checked="" type="checkbox"/> (3) Fixed Fees (not including subscription fees) | <input type="checkbox"/> (6) Other |

D. For each checked box in A above, describe on Schedule F:

- the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee
- applicant's basic fee schedule, how fees are charged and whether its fees are negotiable
- when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

2. Types of clients - Applicant generally provides investment advice to: (check those that apply)

- | | |
|---|--|
| <input checked="" type="checkbox"/> A. Individuals | <input checked="" type="checkbox"/> E. Trusts, estates, or charitable organizations |
| <input type="checkbox"/> B. Banks or thrift institutions | <input checked="" type="checkbox"/> F. Corporations or business entities other than those listed above |
| <input type="checkbox"/> C. Investment companies | <input type="checkbox"/> G. Other (describe on Schedule F) |
| <input checked="" type="checkbox"/> D. Pension and profit sharing plans | |

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

3. Types of Investments. Applicant offers advice on the following: (check those that apply)

- | | |
|--|--|
| <input type="checkbox"/> A. Equity securities | <input checked="" type="checkbox"/> H. United States government securities |
| <input checked="" type="checkbox"/> (1) exchange-listed securities | <input type="checkbox"/> I. Options contracts on: |
| <input checked="" type="checkbox"/> (2) securities traded over-the-counter | <input checked="" type="checkbox"/> (1) securities |
| <input checked="" type="checkbox"/> (3) foreign issuers | <input type="checkbox"/> (2) commodities |
| <input checked="" type="checkbox"/> B. Warrants | <input type="checkbox"/> J. Futures contracts on: |
| <input checked="" type="checkbox"/> C. Corporate debt securities (other than commercial paper) | <input type="checkbox"/> (1) tangibles |
| <input type="checkbox"/> D. Commercial paper | <input type="checkbox"/> (2) intangibles |
| <input checked="" type="checkbox"/> E. Certificates of deposit | <input type="checkbox"/> K. Interests in partnerships investing in: |
| <input checked="" type="checkbox"/> F. Municipal securities | <input checked="" type="checkbox"/> (1) real estate |
| <input type="checkbox"/> G. Investment company securities: | <input checked="" type="checkbox"/> (2) oil and gas interests |
| <input checked="" type="checkbox"/> (1) variable life insurance | <input type="checkbox"/> (3) other (explain on Schedule F) |
| <input checked="" type="checkbox"/> (2) variable annuities | <input type="checkbox"/> L. Other (explain on Schedule F) |
| <input checked="" type="checkbox"/> (3) mutual fund shares | |

4. Methods of Analysis, Sources of Information, and Investment Strategies.

A. Applicant's security analysis methods include: (check those that apply)

- | | |
|---|--|
| (1) <input checked="" type="checkbox"/> Charting | (4) <input checked="" type="checkbox"/> Cyclical |
| (2) <input checked="" type="checkbox"/> Fundamental | (5) <input type="checkbox"/> Other (explain on Schedule F) |
| (3) <input checked="" type="checkbox"/> Technical | |

B. The main sources of information applicant uses include: (check those that apply)

- | | |
|---|---|
| (1) <input checked="" type="checkbox"/> Financial newspapers and magazines | (5) <input type="checkbox"/> Timing services |
| (2) <input type="checkbox"/> Inspections of corporate activities | (6) <input checked="" type="checkbox"/> Annual reports, prospectuses, filings with the Securities and Exchange Commission |
| (3) <input checked="" type="checkbox"/> Research materials prepared by others | (7) <input checked="" type="checkbox"/> Company press releases |
| (4) <input checked="" type="checkbox"/> Corporate rating services | (8) <input type="checkbox"/> Other (explain on Schedule F) |

C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)

- | | |
|--|--|
| (1) <input checked="" type="checkbox"/> Long term purchases (securities held at least a year) | (5) <input checked="" type="checkbox"/> Margin transactions |
| (2) <input checked="" type="checkbox"/> Short term purchases (securities sold within a year) | (6) <input checked="" type="checkbox"/> Option writing, including covered options, uncovered options or spreading strategies |
| (3) <input checked="" type="checkbox"/> Trading (securities sold within 30 days) | (7) <input type="checkbox"/> Other (explain on Schedule F) |
| (4) <input checked="" type="checkbox"/> Short sales | |

5. Education and Business Standards.

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients? ☒ Yes ☐ No
(If yes, describe these standards on Schedule F.)

6. Education and Business Background.

For:

- each member of the investment committee or group that determines general investment advice to be given to clients, or
- if the applicant has no investment committee or group, each individual who determines general investment advice given to clients (if more than five, respond only for their supervisors)
- each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

- name
- year of birth
- formal education after high school
- business background for the preceding five years

7. Other Business Activities. (check those that apply)

- ☐ A. Applicant is actively engaged in a business other than giving investment advice.
- ☐ B. Applicant sells products or services other than investment advice to clients.
- ☒ C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.

(For each checked box describe the other activities, including the time spent on them, on Schedule F.)

8. Other Financial Industry Activities or Affiliations. (check those that apply)

- ☐ A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- ☐ B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:
- | | |
|--|--|
| <input type="checkbox"/> (1) broker-dealer | <input type="checkbox"/> (7) accounting firm |
| <input type="checkbox"/> (2) investment company | <input type="checkbox"/> (8) law firm |
| <input type="checkbox"/> (3) other investment adviser | <input type="checkbox"/> (9) insurance company or agency |
| <input type="checkbox"/> (4) financial planning firm | <input type="checkbox"/> (10) pension consultant |
| <input type="checkbox"/> (5) commodity pool operator, commodity trading advisor or futures commission merchant | <input type="checkbox"/> (11) real estate broker or dealer |
| <input type="checkbox"/> (6) banking or thrift institution | <input type="checkbox"/> (12) entity that creates or packages limited partnerships |

(For each checked in box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)

- D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest? ☐ Yes ☒ No

(If yes, describe on Schedule F the partnerships and what they invest in.)

9. Participation or Interest in Client Transactions.

Applicant or a related person: (check those that apply)

- ☐ A. As principal, buys securities for itself from or sells securities it owns to any client.
- ☐ B. As broker or agent effects securities transactions for compensation for any client.
- ☐ C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.
- ☐ D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- ☒ E. Buys or sells for itself securities that it also recommends to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

Describe on Schedule F, your code of ethic, and state that you will provide a copy of your code of ethics to any client or prospective client upon request.

- 10. Conditions for Managing Accounts.** Does the applicant provide investment supervisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services and impose a minimum dollar value of assets or other conditions for starting or maintaining an account?

Yes No
☒ ☐

(If yes, describe on Schedule F)

- 11. Review of Accounts.** If applicant provides investment supervisory services, manages investment advisory accounts, or holds itself out as providing financial planning or some similarly termed services:

A. Describe below the reviews and reviewers of the accounts. **For reviews**, include their frequency, different levels, and triggering factors. **For reviewers**, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.

See Schedule F

B. Describe below the nature and frequency of regular reports to clients on their accounts.

See Schedule F

12. Investment or Brokerage Discretion.

A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:

- | | Yes | No |
|--|-------------------------------------|-------------------------------------|
| (1) securities to be bought or sold? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (2) amount of the securities to be bought or sold? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (3) broker or dealer to be used? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (4) commission rates paid? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

B. Does applicant or a related person suggest brokers to clients? Yes ☒ No ☐

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4) or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

- the products, research and services
- whether clients may pay commissions higher than those obtainable from other brokers in return for those products and services
- whether research is used to service all of applicant's accounts or just those accounts paying for it; and
- any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for product and research services received.

13. Additional Compensation.

Does the applicant or a related person have any arrangements, oral or in writing, where it:

- | | | |
|---|---|--|
| A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients? | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| B. directly or indirectly compensates any person for client referrals? | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |

(For each yes, describe the arrangements on Schedule F.)

14. Balance Sheet. Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

- has custody of client funds or securities (unless applicant is registered or registering only with the Securities and Exchange Commission); or
- requires prepayment of more than \$500 in fees per client and 6 or more months in advance

Has applicant provided a Schedule G balance sheet? Yes ☐ No ☒

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:

TMD & Associates, Inc.

SEC File Number:

801 - 113896

Date:

01/31/2010

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:

TMD & Associates, Inc.

IRS Empl. Ident. No.:

86-0789084

Item of Form
(identify)

Answer

Item 1D

ADVISORY SERVICES AND FEES

TMD & Associates, Inc. (TMD) is an investment adviser registered with the Securities and Exchange Commission. TMD provides investment advisory services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations and corporations, as are described below.

TMD offers broad-financial planning for clients that includes extensive personal and financial data gathering, extensive review and presentation of a written financial plan of actions to direct each client toward his/her expressed financial goals.

After the initial written financial plan, TMD may provide investment management services. This includes recommendations on products, strategies and implementation. All legal and accounting advice is incidental to the plan.

Financial Planning

Financial planning includes a review of most aspects of a client's current financial situation, including, but not limited to the following components:

- Cash management;
- Risk management;
- Insurance;
- Education funding
- Goal setting;
- Retirement planning;
- Estate and charitable giving planning;
- Tax planning; and
- Capital needs planning

Completion of a comprehensive plan which includes all of the above components generally takes 1-4 weeks to complete, and involves several meetings with the client, other family members as appropriate, and other professionals such as accountants and attorneys, review of related documents and data supplied by the client. Meetings may include review of risk tolerance, financial goals and objectives, and time horizons. Additional meetings may include a review of additional financial information; sources of income, assets owned, existing insurance, liabilities, wills, trusts, business agreements, tax returns, investments, and personal and family obligations.

The financial plan may include both long and short-term considerations, depending upon the individual scenario. TMD provides the client with recommendations that are deemed compatible with the client's stated goals and objectives. TMD reviews an implementation schedule with the client to determine which steps to pursue, and with whom the steps may be accomplished. The client is under no obligation to utilize additional services of TMD and its representatives and is under no obligation to implement the advice or plan. Clients may choose all or certain components of advice and recommendations and can implement the recommendations through the service providers of their choice.

**Schedule F of
Form ADV****Continuation Sheet for Form ADV Part II**

Applicant:

TMD & Associates, Inc.

SEC File Number:

801 - 113896

Date:

01/31/2010

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:

TMD & Associates, Inc.

IRS Empl. Ident. No.:

86-0789084Item of Form
(identify)

Answer

Limited Financial Planning

Clients may also receive investment advice on a more limited basis. This may include advice on only an isolated area(s) of concern such as estate planning, retirement planning, education planning or any other specific topic. Clients understand that when TMD is engaged to address only certain components, the client's overall financial and investment issues may not be taken into consideration.

Investment Management Services

TMD will allocate the client's assets among various investments taking into consideration the overall management style selected by the client. Investment strategies may include long-term and short-term purchases depending upon the individual needs of the client. TMD uses asset allocation, or spreading investments among a number of asset classes and sectors (domestic stocks vs. foreign stocks; large cap stocks vs. small cap stocks; corporate bonds vs. government securities) for most client accounts as well as mutual funds.

TMD may also use other investment advisors as subadvisors. TMD may select other investment advisors by reviewing some or all of the following qualitative criteria: ownership structure, quality and depth of personnel, career path for professionals, consistency of investment process implementation, quality of internal and external research and investment discipline. In addition, TMD may review the following quantitative factors: consistency of returns during good and bad market environments, risk taken in relation to appropriate benchmarks, historical correlations to appropriate benchmarks and style analysis.

TMD generally manages advisory accounts on a discretionary basis, but does allow for both non-discretionary accounts and for non-discretionary investments to be held in discretionary accounts. (An example of a non-discretionary investment held in a discretionary account would be an individual stock that the client has either asked TMD to purchase or has transferred into the account.)

Raymond James Consulting Services

For separately managed accounts, TMD may use Raymond James Consulting Services (RJCS) as a sub-advisor. RJCS is a division of Raymond James and Associates, Inc. (RJA); an NASD registered broker/dealer and SIPC member and offers a bundled asset-based fee schedule.

TMD assists the client in selecting the appropriate portfolio manager(s) on the RJCS platform, based upon the client's financial needs and investment objectives. RJCS selects portfolio managers for the platform, establishes custodial facilities, monitors performance of client accounts, provides clients with accounting and other administrative services and assists portfolio managers with certain trading activities.

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:

TMD & Associates, Inc.

SEC File Number:

801 - 113896

Date:

01/31/2010

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:

TMD & Associates, Inc.

IRS Empl. Ident. No.:

86-0789084

Item of Form
(identify)

Answer

TMD provides clients with information on each portfolio manager prior to entering into the Investment Management Agreement. Potential portfolio managers are considered for the platform if they meet the following:

- A well-defined investment style
- Proven past performance results
- Consistency of portfolio returns
- Risks taken within acceptable bounds of investment objectives
- Complementary philosophy of the manager with the existing managers

Other factors considered by TMD or RJCS in the screening process may include: low turnover of personnel; in-depth interviews with top personnel; personal visit to the investment manager's office; the size of the investment manager; review of the investment manager's current ADV; no naked options, short sales or futures; and a cooperative, open attitude.

After a portfolio manager has been selected to participate in the RJCS program, RJCS reviews and monitors, on at least a quarterly basis, each portfolio manager's activity to ensure they maintain consistent investment discipline and philosophy with that for which they were originally selected.

SPC Secured Loan Funding, LLC

Certain TMD clients may invest in SPC Secured Loan Funding, LLC, an Arizona limited liability company. The proceeds are used to acquire, recourse or non-recourse loans secured by first or second lien deeds of trust on residential or commercial properties in Arizona. In general, loans acquired by SPC are: short to mid-term in nature, will not exceed a two year term and will have principal amounts ranging from \$500,000 upwards to \$2,000,000. Loan-to-value ratios will typically range between 50% and 65%, but will not exceed 70%. SPC is scheduled to liquidate in January 2013. The minimum investment for SPC is \$50,000. [SPC is a highly illiquid fund. With limited exception, investments are only redeemable after 24 months.](#)

TMD earns only its regular investment management fee on all client investments in SPC. SPC management and incentive fees are fully described in each funds offering and subscription documents.

Carrington Global Fund, LP

Certain TMD clients may invest in Carrington Global Fund, LP (the "Fund"), a Delaware-based, multi-manager investment vehicle. The Fund invests throughout the global markets with an emphasis on fundamentally driven equity investment strategies. The Fund's assets are invested in Carrington Global Master Fund, Ltd, (the "Global Master Fund") an international business company formed under the laws of the British Virgin Islands, in what is commonly known as a "master-feeder" investment structure. Under this structure, all capital contributions are made by investors into the Fund, or a similarly structured Global Off-shore Fund, which, in turn, reinvests the capital from both funds into the Global Master Fund. The minimum partnership investment is \$500,000, which may be pooled from a

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:

TMD & Associates, Inc.

SEC File Number:

801 - 113896

Date:

01/31/2010

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:

TMD & Associates, Inc.

IRS Empl. Ident. No.:

86-0789084

Item of Form
(identify)

Answer

limited number of TMD clients. The Fund has strict guidelines for withdrawing from the partnership, especially within the first twelve months of investment into the Fund. **TMD considers this Fund to be highly illiquid and most appropriate for investors with a high risk tolerance.**

Margin

When appropriate to the needs of the client, TMD may recommend the use of margin transactions. Because this investment strategy involves a certain degree of additional risk, it will only be recommended when consistent with the client's stated tolerance for risk.

Other

TMD also provides specific consultation and administrative services regarding investment and financial concerns of the client. TMD also provides advice on non-securities matters. Generally, this is in connection with the rendering of estate planning, insurance, and/or annuity advice.

Compensation

Financial Planning

Fees may be charged on an hourly or fixed fee basis. Once determined, the exact fee arrangement is set forth in the Financial Planning Agreement. Hourly fees are typically \$200 per hour depending on the nature and complexity of each client's circumstances, as well as the individual involved in the planning process. An estimate for total hours will be determined at the start of the advisory relationship.

Fixed fees are determined by estimating the number of hours to be spent preparing the plan and then quoting a fixed price. Total costs for financial plans, whether per hour or on a fixed basis, may range from \$250 to as much as \$15,000 or more. There is no typical plan, as plans are customized to the specific needs of the client. All fees are due and payable upon completion of the work.

Investment Management Services

TMD Investment Management Fees are as follows:

| <u>Assets Under Management</u> | <u>Annualized Rate</u> |
|--------------------------------|------------------------|
| First \$500,000 | 1.00% |
| Next \$500,000 | 0.85% |
| \$1 million to \$2 million | 0.75% |
| \$2 million and over | Negotiable |

Investment Management fees calculated quarterly in arrears on the account asset value, including cash on the last business day of the quarter for the previous quarter. The initial invoice calculated based upon the fair market value of the account, including cash at the time the agreement is executed through the end of the current quarter. There is a minimum annual fee of \$3000 for the aggregate amount of each client's assets under management.

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:

TMD & Associates, Inc.

SEC File Number:

801 - 113896

Date:

01/31/2010

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:

TMD & Associates, Inc.

IRS Empl. Ident. No.:

86-0789084

Item of Form
(identify)

Answer

The client authorizes and directs the custodian to deduct asset-based fees from the client's account; client further authorizes and directs the custodian to send a quarterly statement to the client that shows all amounts disbursed from client's account, including advisory fees paid to TMD. TMD sends the client an invoice each quarter showing the amount of the asset-based fee, the value of the assets on which the fee was based, and the specific manner in which the fee was calculated.

The client may also incur charges for other account services provided by brokers not directly related to the execution and clearing of transactions including, but not limited to, IRA custodial fees, safekeeping fees, interest charges on margin loans, and fees for legal or courtesy transfers of securities.

Raymond James Consulting Services Program Fees

RJCS program fees are separate from the Investment Management Services disclosed above.

RJCS program fees include a Management fee (0.30% to 0.80%), an Administrative fee (0.05% to 0.15%) and a Clearing fee (0.05% to 0.15%). RJA negotiates with portfolio manager the management fee payable to portfolio manager, based on factors including, but not limited to, the portfolio manager's assets under management in the RJCS program, average number of portfolio holdings, average annual turnover, anticipated sales and administrative service levels, among others. The fee payable to portfolio managers is typically 0.40% – 0.50% for equity and balanced accounts, and 0.25% - 0.30% for fixed income accounts, but may be lower due to incremental rate negotiation. Although the basis of RJCS' recommendation of portfolio manager is not based on this negotiated management fee, a conflict may exist due to the potential incentive RJCS may have to recommend a portfolio manager(s) with a lower management fee.

The Management fee is paid to TMD as advisor, RJCS as subadvisor and the underlying portfolio manager. The Administrative and Clearing Fees are paid to RJA, as broker. Clients may also incur charges for other account services provided by RJA not directly related to the execution and clearing of transactions including, but not limited to, IRA custodial fees, safekeeping fees, and fees for legal or courtesy transfers of securities.

The annual asset-based fee is paid quarterly in advance. When an account is opened, the asset-based fee is billed for the remainder of the current billing period and is based on the initial contribution. Thereafter, the quarterly asset-based fee is paid in advance, is based on the account asset value on the last business day of the previous calendar quarter, and becomes due the following business day. The client authorizes and directs RJA as Custodian to deduct asset-based fees from the client's account; client further authorizes and directs the Custodian to send a quarterly statement to the client that shows all amounts disbursed from client's account, including fees paid to RJA.

The brokerage statement will show the amount of the asset-based fee, the value of the assets on which the fee was based, and the specific manner in which the fee was calculated. Should the client transfer management duties from one portfolio manager to another portfolio manager within RJCS platforms, any

**Schedule F of
Form ADV****Continuation Sheet for Form ADV Part II**

Applicant:

TMD & Associates, Inc.

SEC File Number:

801 - 113896

Date:

01/31/2010

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:

TMD & Associates, Inc.

IRS Empl. Ident. No.:

86-0789084Item of Form
(identify)

Answer

prepaid asset-based fees will be reimbursed for the period not utilized by the previous portfolio manager and billed for the remainder of the period for the newly designated portfolio manager.

RJCS accounts are subject to a minimum quarterly fee of \$375. There generally is a minimum investment of \$100,000, although smaller accounts may be accepted based upon the specific circumstances of an account.

The Investment Management Agreement is between TMD, RJCS and the client, and there is no direct agreement between the underlying portfolio manager and the client.

General Information on Compensation

In certain circumstances, fees, account minimums and payment terms may be negotiable. TMD's fees may be negotiable based on various criteria, including, but not limited to the size of the aggregate related party portfolio size and pre-existing relationships with clients. Compensation will ultimately be based on the time involved, the degree of responsibility assumed, complexity of the engagement, special skills needed to solve problems, the application of experience and knowledge of the client's situation.

Related accounts may be linked for purposes of fee calculation if all parties agree; meaning certain accounts, approved by TMD, may be grouped for fee calculations.

The fees charged are calculated as described above and are not charged on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of an advisory client.

Advisory fees charged by TMD are separate and distinct from advisory fees and expenses charged by mutual funds in which client assets may be invested and certain charges imposed by third-parties.

Mutual fund fees generally include a management fee, other fund expenses and a possible distribution fee. Mutual funds purchased by TMD for a client account will be executed at NAV. Accordingly, the client should review the prospectus of a mutual fund regarding fees charged by the funds in conjunction with fees charged by TMD to fully understand the total amount of fees to be paid by the client, and to thereby evaluate the advisory services being provided.

Third party fees may include the following: IRA and qualified retirement plan fees and other charges required by law. Many broker / dealers (including RJFS) will retain 12(b)-1 fees and any other fees paid by the mutual fund companies, rather than refunding them to the client. TMD does not earn charge or collect any commissions relative to any transactions implemented or retain any 12-b1 fees.

Termination

Agreements must be terminated in writing. Financial Planning Agreements may be terminated by the client or TMD without penalty by the client or TMD at any time upon receipt of 30 days written notice. Upon termination any prepaid, unearned fees will be promptly refunded based upon the time spent and services rendered by TMD up to the time of termination. Investment Management Agreements may be

**Schedule F of
Form ADV****Continuation Sheet for Form ADV Part II**

Applicant:

TMD & Associates, Inc.

SEC File Number:

801 - 113896

Date:

01/31/2010

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1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:

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86-0789084Item of Form
(identify)

Answer

terminated by the client or TMD without penalty by the client or TMD at any time. Upon termination any prepaid, unearned fees will be promptly refunded. The client may terminate a Financial Planning or Investment Management Agreement without penalty (full refund or no fees due) within 5 business days of signing the Agreement if TMD's ADV Part II was not delivered at least 48 hours prior to engagement.

Custody and Billing

With the exception of the ability to pay investment advisory fees directly from client accounts, TMD does not and will not have custody of the clients' funds or securities. Client assets shall be held in the custody of a bank, trust company or brokerage firm agreed upon by the client and TMD. However, as part of the Investment Management Agreement signed by the client, the client is authorizing TMD to debit fees directly from the client's account at the custodian.

TMD sends invoices to the client and the broker that state the amount of the fee, the value of the client's assets on which the fee was based, and the specific manner in which the fee was calculated. The broker is advised in writing of the limitation of TMD's access to the account, and will send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of advisory fees paid directly to TMD.

Though TMD will assist the client in establishing and maintaining accounts at the custodian, TMD shall have no responsibility or liability with respect to custodial arrangements or the acts, omissions or other conduct of the custodian.

Proxy Voting

TMD has instituted the policy that it will only vote proxies upon specific request of a client. If approached by a client, TMD will discuss proxy recommendations with the client and vote the proxy electronically if requested to do so.

Privacy of Client Information

TMD provides a Privacy Notice to each client at the time of engaging TMD's services, and annually thereafter. The Privacy Notice discloses the type of information TMD collects regarding a client; any third party TMD may share information with and safeguards over client privacy.

Item 3K**TYPES OF INVESTMENTS**

TMD may provide investment advice on such investments as limited partnerships and private placement partnerships, and oil and gas partnerships.

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Item 5**EDUCATION AND BUSINESS STANDARDS**

TMD requires a college degree and/or extensive experience in financial planning as a minimum standard for professionals. Professionals must have also attained or be in the process of completing a post-graduate financial advisory designation/certification, such as CFP®, CFA or CPA. In addition, CFP® professionals must also be members in good standing with the Certified Financial Planner Board of Standards Inc.'s (CFP Board), meet all applicable continuing education requirements of the CFP Board, and agree to abide by the CFP Board Code of Ethics.

Item 6**EDUCATION AND BUSINESS BACKGROUND****Todd M. Douma**

Year of Birth: 1969

Business Background:

TMD & Associates, Inc. 1994 - Present
Managing Member and Chief Compliance Officer

Raymond James Financial Services, Inc. 1994 - 2006
Registered Representative

Edward D. Jones & Co., L.P. 1993 - 1994
Registered Representative

Education:

Arizona State University 1989 - 1990
BS Finance

University of Florida 1987 - 1989

Professional Designations and Licenses:

Certified Financial Planner (CFP)[®]

Nathan Faerber

Year of Birth: 1978

Business Background:

TMD & Associates 2008 - Present
Certified Financial Planner

Chase Investment Services Corp. 2008 - 2008
Financial Advisor

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The Vanguard Group Inc.
Client Relations Associate

2003 - 2008

Formal Education after High School:

Arizona State University BA Business Administration

Professional Designations:

Certified Financial Planner

Item 7C

OTHER BUSINESS ACTIVITIES

Mr. Douma is licensed and registered with the insurance department of the State of Arizona. He may be appointed with several insurance companies and receive separate compensation for fee based transactions implemented through various insurance companies. Mr. Douma may provide fixed insurance products, such as whole life, term life, and health, as well Employee Benefits Consulting. Insurance compensation will be separate and distinct from financial planning fees and portfolio management fees charged by TMD.

Clients are not obligated to utilize any of these services for insurance purchases. All clients are free to utilize any insurance agent they choose.

Mr. Douma expects to devote approximately 90% of his time to providing advisory services and remainder on the insurance activities described above.

Item 9E

PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS

TMD and its employees may buy or sell securities identical to those recommended to customers for their personal accounts. TMD employees must comply with a Code of Ethics and Statement for Insider Trading. The Code contains provisions reasonably necessary to deter misconduct and conflicts of interest and to detect any violation. TMD will provide a copy of its Code of Ethics to any client or prospective client upon request.

Item 10

CONDITIONS FOR MANAGING ACCOUNTS

TMD requires a minimum account size of \$300,000. Waivers of exceptions from minimum account size may be granted at the exclusive discretion of TMD management.

Item 11A

REVIEW OF ACCOUNTS

Reviews are performed under the direction of Mr. Douma, the President of TMD. Mr. Douma actively reviews client accounts on at least a quarterly basis, however reviews could also occur at the time of new deposits, material changes in client's financial information, changes in economic cycles, at TMD's discretion, or as often as the client may direct. Reviews entail analyzing securities, sensitivity to overall

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markets, economic changes, investment results and asset allocation, etc., to ensure the investment strategy and expectations are structured to continue to meet clients' objectives and risk tolerance. TMD encourages frequent client contact; clients are obligated to promptly notify TMD of any changes in the client's financial status to ensure that investment strategies continue to meet the client's changing needs. TMD encourages quarterly or semi-annual meetings with clients and requires annual meetings with clients.

For those clients that receive general financial planning advice such as budgeting, cash flow management, asset allocation, tax- planning, estate planning and retirement planning, TMD actively reviews these topics with clients on at least an annual basis. Mr. Douma provides these services to non-fee- based accounts as well as fee- based accounts.

Mr. Douma serves as primary contact on client accounts and maintains contact with clients quarterly by phone or in person; however, administrative personnel will assist with general client communication and services.

Item 11B

REVIEW OF ACCOUNTS

Clients receive holding and activity reports at least quarterly from custodial and brokerage firms as well as trade confirmations. At least quarterly, clients receive a brokerage statement from their custodian. The brokerage statement contains the cash balance, type, name and amount of each security, account activity for the period and when available, the unrealized gain or loss of each security.

Additionally, clients typically receive a personalized quarterly statement generated by TMD demonstrating the value of their investments, current asset allocations, and current holding gains/losses within the accounts.

All clients have access to account statements and activity via a secure broker network.

Item 12A and 12B

INVESTMENT OR BROKERAGE DISCRETION

TMD generally has limited power of attorney to act on a discretionary basis on behalf of clients. When such limited powers exist between the client and TMD, TMD may choose both the amount and type of publicly traded securities to satisfy account objectives. Additionally, TMD accepts any reasonable limitation or restriction to such authority on the account placed by the client presented to in writing.

While TMD may at times recommend brokers, the client may direct TMD in writing to use a particular broker or dealer to execute transactions for Client's account, of which the client will negotiate terms and arrangements with that broker or dealer. In directing the use of a particular broker dealer, it should be understood that TMD will not have authority to negotiate commissions or obtain volume discounts, and best execution may not be achieved. In addition, a disparity in commission charges may exist between the commissions charged to other clients. As a result, client transactions are generally

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executed through RJFS. TMD does not have the discretion to determine the commission to be paid. When a client selects RJFS, commission rates will be the lowest rate available to TMD based on its volume of activity; however, commissions may be charged which are higher or lower than commission rates at other broker dealers.

While it is possible that clients may pay higher commission or transactions fee through RJFS, TMD has determined that RJFS currently offers the best overall value to TMD and its clients for the customer service, brokerage, research services and technology it provides. TMD believes these qualities make RJFS superior to most non-service oriented, deep-discount and internet/web based brokers that may otherwise be available to the public.

Item 13A

ADDITIONAL COMPENSATION

TMD may have the opportunity to receive traditional "non-cash benefits" from RJFS such as customized statements; receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk servicing RJFS Advisors exclusively; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; ability to have investment advisory fees deducted directly from client accounts; access to an electronic communication network for client order entry and account information; access to mutual funds which generally require significantly high minimum initial investments or those that are otherwise only generally available to institutional investors; reporting features; receipt of industry communications; and perhaps discounts on business-related products.

RJFS may also provide general access to research and perhaps discounts on research products. Any research received benefits all clients. TMD has no written or verbal arrangements whereby it receives soft dollars. From time to time, RJFS may offer production-based incentives such as the ability to attend industry-related conferences or other benefits; however, TMD does not believe that such incentives impair TMD's independence.

While these individuals endeavor at all times to put the interest of the clients first as part of TMD's fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest, and may affect the judgment of these individuals when making recommendations.

(End of Schedule F)