

Part 2A of Form ADV: *Firm Brochure*

Locke Financial Services, Inc.

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08/15/2012

This brochure provides information about the qualifications and business practices of Locke Financial Services, Inc.. If you have any questions about the contents of this brochure, please contact us at 847-991-2705 or alocke@lockefinancial.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.

Additional information about Locke Financial Services, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 117611.

Item 2 Material Changes

There have been no material changes to this brochure since the last version dated May 29, 2012.

Item 3	Table of Contents	Page
Item 1	Cover Page	1
Item 2	Material Changes	2
Item 3	Table of Contents	3
Item 4	Advisory Business	4
Item 5	Fees and Compensation	8
Item 6	Performance-Based Fees and Side-By-Side Management	10
Item 7	Types of Clients	10
Item 8	Methods of Analysis, Investment Strategies and Risk of Loss	10
Item 9	Disciplinary Information	11
Item 10	Other Financial Industry Activities and Affiliations	12
Item 11	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	12
Item 12	Brokerage Practices	12
Item 13	Review of Accounts	14
Item 14	Client Referrals and Other Compensation	14
Item 15	Custody	14
Item 16	Investment Discretion	15
Item 17	Voting Client Securities	15
Item 18	Financial Information	16
Item 19	Requirements for State Registered Advisers	16

Item 4 Advisory Business

Locke Financial Services, Inc. is a registered investment adviser with its principal place of business located in Illinois. Locke Financial Services, Inc. began conducting business in 2001.

Listed below are the firm's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of this company).

Denzil Alan Locke

Locke Financial Services, Inc. offers the following advisory services to our clients:

INDIVIDUAL PORTFOLIO MANAGEMENT

Our firm provides non-continuous asset management of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on the client's particular circumstances are established, we develop the client's personal investment policy. We create and manage a portfolio based on that policy. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we may also review and discuss a client's prior investment history, as well as family composition and background.

Once the client's portfolio has been established, we review the portfolio quarterly, and if necessary, rebalance the portfolio on an annual basis, based on the client's individual needs. Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding the following securities:

Because some types of investments involve certain additional degrees of risk, they will only be implemented when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

MODEL PORTFOLIO MANAGEMENT

Our firm provides non-continuous portfolio management services to clients using model asset allocation portfolios. Each model portfolio is designed to meet a particular investment goal.

Income Model - This objective primarily emphasizes income generation with little or no concern for capital appreciation or inflation protection. This allocation would be 100% to fixed income investments.

Income with Moderate Growth Model - This objective emphasizes current income through a large allocation to fixed income securities, complemented by a secondary consideration for capital appreciation through a small allocation to equity securities. The allocation for this objective would be 30% to 40% to equities and 60% to 70% to fixed income investments.

Balanced Model - This objective is designed to offer the potential for both capital appreciation and current income through a roughly 50% to 60% allocation to equities and 40% to 50% allocation to fixed income investments.

Balanced with Growth Model - This objective is designed to invest a substantial portion of assets in equities for potential growth, while using income to moderate risk. The expected asset allocation for this objective would be roughly 70% to 80% equities and 20% to 30% fixed income investments.

Growth Model - This objective maximizes total return and protecting against inflation. The portfolio consists of primarily or all equity investments.

Through personal discussions with the client in which the client's goals and objectives are established, we initially determine whether the model portfolio is suitable to the client's circumstances. Once we confirm suitability, the portfolio is managed based on the portfolio's goal, rather than on each client's individual needs. Clients, nevertheless, have the opportunity to place reasonable restrictions on the types of investments to be held in their account. Clients retain individual ownership of all securities.

We manage these advisory accounts on a discretionary basis. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations.

Once the client's portfolio has been established, we review the portfolio quarterly, and if necessary, rebalance the portfolio on an annual basis, based on the client's individual needs.

Through personal discussions with the client in which the client's goals and objectives are established, we determine if the model portfolio is suitable to the client's circumstances. Once we determine the suitability of the portfolio, the portfolio is managed based on the portfolio's goal, rather than on each client's individual needs. Clients, nevertheless, have the opportunity to place reasonable restrictions on the types of investments to be held in their account. Clients retain individual ownership of all securities.

Our investment recommendations are not limited to any specific product or service offered by a broker dealer or insurance company and will generally include advice regarding the following securities:

- ☐ Corporate debt securities (other than commercial paper)
- ☐ Mutual fund shares
- ☐ United States governmental securities

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

To ensure that our initial determination of an appropriate portfolio remains suitable and that the account continues to be managed in a manner consistent with the client's financial circumstances, we will:

1. send annual written reminders to each Model Portfolio Management Services client requesting any updated information regarding changes in the client's financial situation and investment objectives;
2. at least annually, contact each participating client to determine whether there have been any changes in the client's financial situation or investment objectives, and whether the client wishes to impose investment restrictions or modify existing restrictions;
3. be reasonably available to consult with the client; and
4. maintain client suitability information in each client's file.

FINANCIAL PLANNING

We provide financial planning services. Financial planning is a comprehensive evaluation of a client's current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans. Through the financial planning process, all questions, information and analysis are considered as they impact and are impacted by the entire financial and life situation of the client.

Clients purchasing this service receive a written report which provides the client with a detailed financial plan designed to assist the client achieve his or her financial goals and objectives.

In general, the financial plan can address any or all of the following areas:

- ☐ **PERSONAL:** We review family records, budgeting, personal liability, estate information and financial goals.
- ☐ **TAX & CASH FLOW:** We analyze the client's income tax and spending and planning for past, current and future years; then illustrate the impact of various investments on the client's current income tax and future tax liability.
- ☐ **INVESTMENTS:** We analyze investment alternatives and their effect on the client's portfolio.
- ☐ **INSURANCE:** We review existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home and automobile.

- ☐ RETIREMENT: We analyze current strategies and investment plans to help the client achieve his or her retirement goals.
- ☐ DEATH & DISABILITY: We review the client's cash needs at death, income needs of surviving dependents, estate planning and disability income.
- ☐ ESTATE: We assist the client in assessing and developing long-term strategies, including as appropriate, living trusts, wills, review estate tax, powers of attorney, asset protection plans, nursing homes, Medicaid and elder law.

We gather required information through in-depth personal interviews. Information gathered includes the client's current financial status, tax status, future goals, returns objectives and attitudes towards risk. We carefully review documents supplied by the client, including a questionnaire completed by the client, and prepare a written report. Should the client choose to implement the recommendations contained in the plan, we suggest the client work closely with his/her attorney, accountant, insurance agent, and/or stockbroker. Implementation of financial plan recommendations is entirely at the client's discretion.

We also provide general non-securities advice on topics that may include tax and budgetary planning, estate planning and business planning.

- ☐ Exchange-listed securities
- ☐ Corporate debt securities (other than commercial paper)
- ☐ Certificates of deposit
- ☐ Mutual fund shares
- ☐ United States governmental securities

Typically the financial plan is presented to the client within six months of the contract date, provided that all information needed to prepare the financial plan has been promptly provided.

Financial Planning recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company. All recommendations are of a generic nature.

AMOUNT OF MANAGED ASSETS

As of 2/28/2011, we were actively managing \$43,550,495 of clients' assets on a discretionary basis.

Item 5 Fees and Compensation

MODEL PORTFOLIO MANAGEMENT FEES

The annualized fee for Model Portfolio Management Services is charged as a percentage of assets under management, according to the following schedule:

<u>Assets Under Management</u>	<u>Annual Fee</u>
First \$250,000	1.4%
Next \$500,000	1.25%
Next \$750,000	1.0%
After \$1,500,000	.85%

Our fees are billed monthly, in arrears, at the end of each month based upon the value (market value or fair market value in the absence of market value), of the client's account at the end of the previous billing period. Fees will be debited from the account in accordance with the client authorization in the Client Services Agreement.

A minimum of **\$100,000** of assets under management is required for this service. This account size may be negotiable under certain circumstances. Locke Financial Services, Inc. may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

Locke Financial Services, Inc.'s advisory fees are not negotiable.

FINANCIAL PLANNING FEES

Locke Financial Services, Inc.'s Financial Planning fee is determined based on the nature of the services being provided and the complexity of each client's circumstances. All fees are agreed upon prior to entering into a contract with any client.

Our Financial Planning fees are calculated and charged on a fixed fee basis, typically ranging from \$500 to \$1,500, depending on the specific arrangement reached with the client.

We may request a retainer upon completion of our initial fact-finding session with the client; however, advance payment will never exceed \$500 for work that will not be completed within six months. The balance is due upon completion of the plan.

GENERAL INFORMATION

Termination of the Advisory Relationship: In Illinois, unless a client has received the firm's disclosure brochure at least 48 hours prior to signing the investment advisory contract, the investment advisory contract may be terminated by the client within five (5) business days of signing the contract without incurring any advisory fees.

Thereafter, either party may terminate the advisory agreement with 30 days written notice. Upon termination, fees will be prorated to the date of termination and the unearned portion will be refunded.

Mutual Fund Fees: All fees paid to Locke Financial Services, Inc. for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Additional Fees and Expenses: In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

Grandfathering of Minimum Account Requirements: Pre-existing advisory clients are subject to Locke Financial Services, Inc.'s minimum account requirements and advisory fees in effect at the time the client entered into the advisory relationship. Therefore, our firm's minimum account requirements will differ among clients.

ERISA Accounts: Locke Financial Services, Inc. is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, Locke Financial Services, Inc. may only charge fees for investment advice about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees, or conversely, investment advice about products for which our firm and/or our related persons receive commissions or 12b-1 fees, however, only when such fees are used to offset Locke Financial Services, Inc.'s advisory fees.

Advisory Fees in General: Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

Limited Prepayment of Fees: Under no circumstances do we require or solicit payment of fees in excess of \$500 more than six months in advance of services rendered.

Item 6 Performance-Based Fees and Side-By-Side Management

Locke Financial Services, Inc. does not charge performance-based fees.

Item 7 Types of Clients

Locke Financial Services, Inc. provides advisory services to the following types of clients:

☐ Individuals (other than high net worth individuals)

Item 8 Methods of Analysis, Investment Strategies and Risk of Loss

METHODS OF ANALYSIS

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

Fundamental Analysis. We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

Asset Allocation. Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance.

A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

Mutual Fund and/or ETF Analysis. We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

Risks for all forms of analysis. Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

INVESTMENT STRATEGIES

We use the following strategy(ies) in managing client accounts, provided that such strategy(ies) are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

Long-term purchases. We purchase securities with the idea of holding them in the client's account for a year or longer. Typically we employ this strategy when:

- ☐ we believe the securities to be currently undervalued, and/or
- ☐ we want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

Item 9 Disciplinary Information

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Mr. Locke was named in an arbitration complaint which was subsequently settled. Details can be found by clicking on the following links to [Broker Check](#) or the [Investment Adviser Public Disclosure](#) site and performing appropriate name searches.

Item 10 Other Financial Industry Activities and Affiliations

Neither the Adviser nor any of its management persons have any other material relationships or conflicts of interest with any related financial industry participants other than those discussed above.

Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

The Adviser has adopted a Code of Ethics that sets forth standards of conduct expected of advisory personnel and to address conflicts that arise from personal trading by advisory personnel. Advisory personnel are obligated to adhere to the Code of Ethics, and applicable securities and other laws.

The Code covers a range of topics that may include: general ethical principles, reporting personal securities trading, exceptions to reporting securities trading, reportable securities, initial public offerings and private placements, reporting ethical violations, distribution of the Code, review and enforcement processes, amendments to Form ADV and supervisory procedures. The Adviser will provide a copy of the Code to any client or prospective client upon request.

Item 12 Brokerage Practices

Locke Financial Services, Inc. does not have any soft-dollar arrangements and does not receive any soft-dollar benefits.

Clients may specify which broker-dealer to use or the Adviser may make recommendations. Generally, these recommendations are based on the Adviser's perception of the breadth of services offered and quality of execution. The Adviser seeks to obtain the overall best execution for its clients, taking into account a number of factors, including: price, clearance, settlement, reputation, financial strength and stability, efficiency of execution and error resolution, block trading and block positioning capabilities, special execution capabilities, willingness to execute related or unrelated difficult transactions in the future, order of call, on-line access to computerized data regarding client accounts, the availability of stocks to borrow for short sale transactions, the competitiveness of commission rates in comparison to other brokers satisfying the Adviser's other selection criteria and other matters involved in the receipt of brokerage services.

The client may pay commissions or fees that are higher or lower than those that may be obtained from elsewhere for similar services. Clients are advised that they are under no obligation to act on the recommendations of the Adviser.

Locke Financial Services, Inc. participates in the institutional customer program offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member SIPC ("TD Ameritrade"), an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers services to independent investment advisers which include custody of securities, trade execution, clearance and settlement of transactions. Locke Financial Services, Inc. receives some benefits from TD Ameritrade through our participation in the program.

Locke Financial Services, Inc. participates in TD Ameritrade's Institutional customer program and we may require clients to maintain accounts with TD Ameritrade OR recommend TD Ameritrade to our clients for custody and brokerage services. There is no direct link between our firm's participation in the program and the investment advice we give to our clients, although we receive economic benefits through our participation in the program that are typically not available to TD Ameritrade retail investors.

These benefits include the following products and services (provided without cost or at a discount): duplicate client statements and confirmations; research related products and tools; consulting services ; access to a trading desk serving adviser participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain Institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to Locke Financial Services, Inc. by third party vendors. TD Ameritrade may also pay for business consulting and professional services received by Locke Financial Services, Inc.'s related persons and may also pay or reimburse expenses including travel, lodging, meals and entertainment expenses for Locke Financial Services, Inc.'s personnel to attend conferences or meetings relating to the program or to TD Ameritrade's adviser custody and brokerage services generally.

Some of the products and services made available by TD Ameritrade through the program may benefit Locke Financial Services, Inc. but may not benefit our client accounts. These products or services may assist us in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help us manage and further develop our business enterprise. The benefits received by Locke Financial Services, Inc. through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade.

Clients should be aware, however, that the receipt of economic benefits by Locke Financial Services, Inc. or our related persons in and of itself creates a potential conflict of interest and may indirectly influence our choice of TD Ameritrade for custody and brokerage services.

Locke Financial Services, Inc. also receives from TD Ameritrade certain additional economic benefits ("Additional Services") that may or may not be offered to any other independent investment advisers participating in the program. Specifically, the Additional Services include discounts from vendors such as Morningstar, Money Tree Financial Planning, and Lacerte Tax Preparation Software.

TD Ameritrade provides the Additional Services to our firm in its sole discretion and at its own expense, and Locke Financial Services, Inc. does not pay any fees to TD Ameritrade for the Additional Services.

Locke Financial Services, Inc.'s receipt of Additional Services raises potential conflicts of interest. In providing Additional Services to our firm, TD Ameritrade most likely considers the amount and profitability to TD Ameritrade of the assets in, and trades placed for, our client accounts maintained with TD Ameritrade. TD Ameritrade has the right to terminate the Additional Services Addendum with Locke Financial Services, Inc., in its sole discretion, provided certain conditions are met. Consequently, in order to continue to obtain the Additional Services from TD Ameritrade, we may have an incentive to recommend to our clients that the assets under management by us be held in custody with TD Ameritrade and to place transactions for client accounts with TD Ameritrade.

Locke Financial Services, Inc.'s receipt of Additional Services does not diminish our duty to act in the best interests of our clients, including seeking best execution of trades for client accounts.

Item 13 Review of Accounts

FINANCIAL PLANNING SERVICES

REVIEWS: While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for Financial Planning clients unless otherwise contracted for.

REPORTS: Financial Planning clients will receive a completed financial plan. Additional reports will not typically be provided unless otherwise contracted for.

Item 14 Client Referrals and Other Compensation

It is Locke Financial Services, Inc.'s policy not to engage solicitors or to pay related or non-related persons for referring potential clients to our firm.

It is Locke Financial Services, Inc.'s policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

Item 15 Custody

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts.

As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

In addition to the periodic statements that clients receive directly from their custodians, we also send account statements directly to our clients on a quarterly basis. We urge our clients to carefully compare the information provided on these statements to ensure that all account transactions, holdings and values are correct and current.

Our firm does not have actual or constructive custody of client accounts.

Item 16 Investment Discretion

Clients may hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- ☐ determine the security to buy or sell; and/or
- ☐ determine the amount of the security to buy or sell

Clients give us discretionary authority when they sign a discretionary agreement with our firm, and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

As previously disclosed in Item 4 of this brochure, our firm provides discretionary asset management services.

Item 17 Voting Client Securities

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

We do not offer any consulting assistance regarding proxy issues to clients.

Item 18 Financial Information

As an advisory firm that maintains discretionary authority, we are also required to disclose any financial condition that is reasonable likely to impair our ability to meet our contractual obligations. Locke Financial Services, Inc. has no additional financial circumstances to report.

Under no circumstances do we require or solicit payment of fees in excess of \$1200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

Locke Financial Services, Inc. has not been the subject of a bankruptcy petition at any time during the past ten years.

Item 19 Requirements for State Registered Advisers

Item 19.A – Management Biographical Information

Refer to Item 2 and the Part 2B Supplement for management person information.

Item 19.B – Outside Business Activities

Neither the Adviser nor any management person is involved in any outside business activities and affiliations.

Item 19.C – Performance Based Fees

Neither the Adviser nor any supervised person of the Adviser is compensated for advisory services with performance-based fees.

Item 19.D – Arbitration Claims, Litigation and Other Proceedings

Neither the Adviser nor any management person has been found liable as a result of any arbitration claim, or civil, self-regulatory organization, or administrative proceeding.

Item 19.E – Relationships with Issuers of Securities

Neither the Adviser nor any management persons has any relationship or arrangement with any issuer of securities.

**Investment Adviser
Brochure Supplement Part 2B**

**Denzil Alan Locke
CRD No. 1660024**

**Locke Financial Services, Inc.
662 N. 1st Bank Drive
Palatine, Illinois 60067
Main Telephone No. (847) 991-2705
General Website www.lockefinancial.com**

This brochure supplement provides information about Denzil Alan Locke that supplements the Locke Financial Services, Inc. brochure. You should have received a copy of that brochure. Please contact Mr. Locke if you did not receive a Locke Financial Services, Inc. brochure or if you have any questions about the contents of this supplement.

Additional information about Mr. Locke is available on the SEC's website at www.adviserinfo.sec.gov.

August 15, 2012

Item 2 – Educational Background and Business Experience

Denzil Alan Locke was born in 1945. He received a Masters of Business Administration degree from Clarkson University in 1982 and a Bachelor of Science degree in Chemistry from Waterloo University in 1969.

Business Experience

Firm Name and Title	Dates
Locke Financial Services, Inc., President/Investment Adviser Representative	01/2000-present
Waterstone Financial Group, Inc., Registered Representative	07/1993-12/2005

Item 3 Disciplinary Information

Mr. Locke was named in an arbitration complaint which was subsequently settled. Details can be found through [Broker Check](#) or the [Investment Adviser Public Disclosure](#) site by performing appropriate name searches.

Item 4 Other Business Activities

Mr. Locke is not involved in any other business activity or occupation that involves a substantial amount of time or compensation.

Item 5 Additional Compensation

Please refer to Item 4 - Other Business Activities above.

Item 6 Supervision

Mr. Locke is the President of the firm so he does not have a supervisor.

Item 7 Requirements for State-Registered Advisers

Mr. Locke has never been found liable in an arbitration claim alleging damages in excess of \$2,500, involving an investment or an investment-related business or activity; fraud, false statements, or omissions; theft, embezzlement, or other wrongful taking of property; bribery, forgery, counterfeiting, or extortion; or dishonest, unfair or unethical practices.

Mr. Locke has never paid an award or otherwise being found liable in a civil, self regulatory organization, or administrative proceeding involving an investment or an investment-related business or activity; fraud, false statements, or omissions; theft, embezzlement, or other wrongful taking of property; bribery, forgery, counterfeiting, or extortion; or dishonest, unfair, or unethical practices.

Mr. Locke has not been the subject of any bankruptcy petition.

**Investment Adviser
Brochure Supplement Part 2B**

**Stacy Ray Norton
CRD No. 5329453**

**Locke Financial Services, Inc.
662 N. 1st Bank Drive
Palatine, Illinois 60067
Main Telephone No. (847) 991-2705
General Website www.lockefinancial.com**

This brochure supplement provides information about Stacy Ray Norton that supplements the Locke Financial Services, Inc. brochure. You should have received a copy of that brochure. Please contact Mr. Norton if you did not receive a Locke Financial Services, Inc. brochure or if you have any questions about the contents of this supplement.

Additional information about Mr. Norton is available on the SEC's website at www.adviserinfo.sec.gov.

August 15, 2012

Item 2 Educational Background and Business Experience

Stacy Ray Norton was born in 1972. He received a Masters of Business Administration degree from the American College of London in 1998 and a Bachelors of Business Administration from Georgia State University in 1995.

Business Experience

Firm Name and Title	Dates
Locke Financial Services, Inc., Vice President, Investment Operations/Investment Adviser Representative	01/2000-present
Frank Lynn & Associates, Associate/Management Consulting	09/1998-10/1999

Item 3 Disciplinary Information

Mr. Norton does not have any legal or disciplinary events to disclose. Mr. Norton is not the subject of any pending legal, disciplinary or administrative proceedings.

Item 4 Other Business Activities

Mr. Norton is not involved in any other business activity or occupation that involves a substantial amount of time or compensation.

Item 5 Additional Compensation

Please refer to Item 4 - Other Business Activities above.

Item 6 Supervision

Mr. Norton is supervised by Alan Locke, President of the firm. Clients may contact Mr. Locke at (847) 991-2705.

Item 7 Requirements for State-Registered Advisers

Mr. Norton has never been accused or found liable in any arbitration claim alleging damages in excess of \$2,500, involving an investment or an investment-related business or activity; fraud, false statements, or omissions; theft, embezzlement, or other wrongful taking of property; bribery, forgery, counterfeiting, or extortion; or dishonest, unfair or unethical practices.

Mr. Norton has never paid an award or otherwise being found liable in a civil, self regulatory organization, or administrative proceeding involving an investment or an investment-related business or activity; fraud, false statements, or omissions; theft, embezzlement, or other wrongful taking of property; bribery, forgery, counterfeiting, or extortion; or dishonest, unfair, or unethical practices.

Mr. Norton has not been the subject of any bankruptcy petition.