

**Fleishel Financial Associates, Inc.**

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**June 12, 2012**

**FORM ADV PART 2  
BROCHURE**

**This brochure provides information about the qualifications and business practices of Fleishel Financial Associates, Inc. If you have any questions about the contents of this brochure, please contact us at (386) 738-1800. 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 Fleishel Financial Associates, Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Fleishel Financial Associates, Inc. is 117768 .**

**Fleishel Financial Associates, Inc. is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.**

## Item 2 Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Generally, Fleishel Financial Associates, Inc. will notify clients of material changes on an annual basis. However, where we determine that an interim notification is either meaningful or required, we will notify our clients promptly. In either case, we will notify our clients in a separate document.

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## Item 4 Advisory Business

### Description of the Advisory Firm

Fleishel Financial Associates, Inc. (hereinafter "FFA") offers personalized investment advisory services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, and other business entities. FFA's services and fee arrangements are described in the following pages.

FFA is a Sub Chapter S company formed under the laws of the state of Florida and is registered as an investment adviser. FFA was formed in October of 1990.

Mr. Thomas B. Fleishel, President, will provide all advisory services on behalf of FFA. Mr. Fleishel is also a registered representative of Raymond James Financial Services, Inc. ("RJFS"), a licensed, full service securities broker/dealer and investment adviser under federal and state securities laws, located in St. Petersburg, Florida. In this capacity, such individuals will earn commissions on the sale of securities and insurance related products. Raymond James is a member of the Financial Industry Regulatory Authority, Inc. ("FINRA") and the Securities Investors Protection Corporation ("SIPC").

FFA provides analysis and recommendations involving a broad range of personal concerns based on the individual needs and circumstances of each client. An important aspect of these services, involves giving advice on the selection and management of investments.

Based upon the client's objectives, guidelines, and financial situation, FFA and the client may determine that the client is suitable for investment management as discussed below.

### Description of Our Advisory Services

FFA engages in broad-based financial planning and consulting services for a fee. Financial planning will typically involve providing a variety of services, principally advisory in nature, to clients regarding the management of their financial resources based upon an analysis of their individual needs.

Financial planning services may encompass such areas as financial and cash flow statements, personal budgets, estate taxes, educational needs of dependents, life insurance needs, income tax analysis, investment analysis, disability analysis, charitable giving, employee benefits analysis and retirement plan objectives.

An FFA financial advisor representative will first conduct a complimentary initial consultation. During or after the initial consultation, if the client decides to engage FFA for financial planning services, additional meetings will be conducted during which pertinent information about the client's financial circumstances and objectives is collected. Once such information has been reviewed and analyzed, a written financial plan designed to achieve the client's stated financial goals and objectives will be produced and presented to the client. The primary objective of this process is to allow FFA to assist the client in developing a strategy for the successful management of income, assets, and liabilities in meeting the client's financial goals and objectives. FFA may also conduct an annual review of the client's financial plan to ensure that the client's needs and objectives are being met.

Financial plans are based on the client's financial situation at the time the plan is presented and are based on the financial information disclosed by the client to FFA. Clients are advised that certain assumptions may be made with respect to interest and inflation rates and the use of past trends and performance of the market and economy. Past performance is in no way an indication of future performance. FFA cannot offer any guarantees or promises that the client's financial goals and objectives will be met. As the client's financial situation, goals, objectives, or needs change, the client must notify FFA promptly.

As part of this program, FFA will generally establish a regular planning cycle to work with the client in managing specific aspects of the overall financial plan. In conjunction with ongoing planning and consulting services, FFA may meet with the client's other professional advisers (financial, legal, real estate, tax, etc.) for a series of information gathering and/or implementation meetings. FFA will act as a project manager to coordinate the work of the appropriate parties in a manner consistent with the client's long-term desired outcome. As the client's financial situation, goals, objectives, or needs change, the client must notify FFA promptly.

The agreed upon fee will be established at the beginning of the advisory/client relationship based upon the scope of the work to be performed and the complexity of the client's financial situation. Applicable fees, fee payment arrangements, and the terms of the engagement will be clearly set forth in the client agreement executed between FFA and the client prior to services rendered. FFA will continue to be available for consultations regarding implementation of the recommendations during the following twelve (12) months from the effective date of the agreement. The retainer fee will be fixed for a 12-month period; thereafter, the retainer fee may be adjusted based on the scope and complexity of the engagement.

FFA charges a non-negotiable fixed fee for broad-based financial planning services and/or consulting pertaining to a client's financial position (e.g. estate planning, tax planning, portfolio review, etc.) A specific fee will be presented in a FFA planning agreement signed by both parties. In limited circumstances, the cost/time could potentially exceed the initial estimate. In such cases, FFA will notify the client and may request that the client approve the additional fee. A deposit of 50% of the total estimated fee will be due in advance and the remainder will be due upon completion of the services rendered. FFA will not charge fees in excess of \$500 six months or more in advance.

Thereafter, FFA offers a 12-month annual retainer for planning services depending upon the level of service the client wishes to engage FFA.

In some circumstances, clients may only require advice on a single aspect of the management of their financial resources. For these clients, FFA offers general consulting services that address only those specific areas of interest or concern. FFA charges a non-negotiable hour rate of \$300 for general consulting. The consulting fee is due and payable upon completion of the services rendered.

FFA or the client may terminate the advisory agreement within five days of the date of acceptance without penalty to the client. After the five-day period, either party may terminate the advisory agreement upon written notice to the other party. In the event of termination, the client will be charged for the portion of work performed by FFA and any pre-paid, unearned fees will be refunded to the client.

### **Advisory Service Customization**

An FFA financial advisor representative will first conduct a complimentary initial consultation and information gathering session to ascertain a client's risks, opportunities and strengths, specific goals and concerns. Once such information has been reviewed and analyzed, a personalized written financial plan designed to achieve the client's stated financial goals and objectives will be produced and presented to the client. The primary objective of this process is to allow FFA to assist the client in developing a strategy for the successful management of income, assets, and liabilities in meeting the client's financial goals and objectives. If the client wishes to continue engaging FFA for planning services, FFA conducts an annual review of the client's financial plan to ensure that the client's needs and objectives are being met.

Financial plans are based on the client's financial situation at the time the plan is presented and are based on the financial information disclosed by the client to FFA. Clients are advised that certain assumptions may be made with respect to interest and inflation rates and the use of past trends and performance of the market and economy. Past performance is in no way an indication of future performance. FFA cannot offer any guarantees or promises that the client's financial goals and objectives will be met. As the client's financial situation, goals, objectives, or needs change, the client must notify FFA promptly.

Clients generally grant FFA discretion over the selection of and the amount of securities to be bought or sold without obtaining their prior consent or approval. However, FFA's investment authority may be subject to specified investment objectives, guidelines, and/or conditions imposed by the client. For example, a client may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry. Clients may amend these limitations, as required and such amendments must be submitted in writing.

### **Description of Wrap Fee Services**

FFA believes wrap fee accounts provide less conflicts of interest since compensation for transactions is completely eliminated. All purchases of mutual funds are done on a no-load basis and the advisor is compensated on a fee basis vs. commission basis. The client could purchase mutual funds on a commission basis if they so chose.

A portion of the annual advisory fee is paid to the FFA financial advisor, which may be more than the financial advisor would receive under an alternative program offering or if the client paid for these services separately. For example, a client could incur less cost over the long-term (5-10 years) by purchasing and holding open ended mutual funds with a front end charge. However, FFA believes that active management of money managers requires regular rebalancing and review of the manager's performance to optimize the long-term return and risk a client experiences. FFA does not receive a financial incentive to recommend and sell proprietary mutual funds versus non-proprietary funds. However, because compensation structures vary by product type, FFA financial advisors may receive higher compensation for certain product types.

FFA believes the charges and fees offered within each fee-based program are competitive with alternative programs available through other firms and/or investment sources, yet makes no guarantee that the aggregate cost of a particular program is lower than that, which may be available elsewhere.

### **Discretionary and Non-Discretionary Assets Under Management**

As of December 30, 2011, the amount of assets that Fleishel Financial Associates, Inc. manages on a discretionary basis is \$69,020,941. As of that same date, FFA manages \$11,784,039 in non-discretionary assets.

## **Item 5 Fees and Compensation**

### **Wrap Account Fees**

For its advisory clients, Fleishel Financial Associates utilizes the PASSPORT Account ("PASSPORT"), an investment advisory account, administered by Raymond James & Associates, Inc. ("RJA"). This account offers clients, on a non-discretionary or discretionary basis, the ability to pay an advisory fee on the assets in their account and a nominal transaction charge in lieu of a commission for each transaction.

There is a minimum investment of \$25,000 for PASSPORT Accounts, although smaller accounts may be accepted based upon the specific circumstances of an account. The advisory fee schedule for PASSPORT Accounts are as follows:

#### BLENDED RATE FEE SCHEDULE

##### PASSPORT Fee Investments:

Account Value	Total Fee
First \$200,000	1.75%
Next \$300,000	1.50%
Next \$500,000	1.00%
Over \$1,000,000	1.00%
Over \$5,000,000	Negotiable

#### THREE TIER ASSET CLASS FEE SCHEDULE

##### PASSPORT Fee Investments Excluding Open-Ended Mutual Funds, Cash and Bonds:

Account Value	Total Fee
First \$200,000	2.00%
Next \$300,000	1.50%
Next \$500,000	1.00%
Over \$1,000,000	1.00%

##### PASSPORT Fee Investment Open-End Mutual Funds and Cash:

First \$100,000	1.75%
Next \$100,000	1.50%
Next \$300,000	1.25%
Next \$500,000	0.75%
Over \$1,000,000	0.75%

##### PASSPORT Fee Investment Bonds:

First \$100,000	1.50%
Next \$100,000	1.25%
Next \$300,000	1.00%
Next \$500,000	0.75%
Over \$1,000,000	0.75%
Over \$5,000,000	Negotiable

The annual asset-based fee is paid quarterly in advance based on the account asset value on the last business day of the previous calendar quarter, and becomes due the following business day. 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, which shows all amounts disbursed from client's account, including fees paid to RJFS & FFA. Client understands that 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.

Additionally, there is a nominal Processing Fee for the execution of each trade, as follows:

<u>SECURITY TYPE</u>	<u>PROCESSING FEE</u>
Exchange Traded Equities: Listed and OTC	\$30
Closed End Mutual Funds	\$30
Exchange Traded Funds	\$30
Mutual Funds *	\$30
Real Estate Investment Trusts/Unit Investment Trusts	\$30
Preferred Stocks	\$50
Options Contracts	\$50
Bonds	\$50

\* Applicable fee only for certain open-end mutual fund companies who have not elected to participate in the Raymond James No Transaction Fee platform. Select fund companies have agreed to pay administrative fees to RJA in consideration for RJA's waiver of the \$30 Processing Fee assessed on certain Passport Account mutual fund purchases ("Participating Funds"). Raymond James financial advisors do not receive any part of these payments. For a list of fund companies that have agreed to pay Raymond James servicing fees for eligible purchases of Participating Funds, please contact Fleishel Financial Associates by phone at (386) 738-1800, or by sending a written request to: Fleishel Financial Associates, 812 N. Woodland Blvd, DeLand, FL 32720.

In addition to the foregoing transaction charge, the client will incur a charge in the amount of \$4.95 per transaction for handling and postage charges. The client 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, interest charges on margin loans, and fees for legal or courtesy transfers of securities.

The client Agreement may be terminated by the client or FFA at any time upon providing notice pursuant to the provisions of client Agreement. In the event of termination of this Agreement, FFA will refund to the client the prorated portion of the fee for the quarter of termination.

### **Other Types of Fees**

Clients should understand that the annual advisory fees charged in the PASSPORT program are in addition to the management fees and operating expenses charged by open-end, closed-end and exchange-traded funds. To the extent that a client intends to hold fund shares for an extended period of time, it may be more economical for the client to purchase fund shares outside of these programs. Clients may be able to purchase mutual funds directly from their respective fund families without incurring the advisory fee. When purchasing directly from fund families, clients may incur a front- or back-end sales charge.

Clients should also understand that the shares of certain mutual funds offered in these programs may impose short-term trading charges (typically 1%-2% of the amount originally invested) for redemptions generally made within short periods of time. These short-term charges are imposed by the funds (and not FFA) to deter "market timers" who trade actively in fund shares. Clients should consider these



short-term trading charges when selecting the program and/or mutual funds in which they invest. These charges, as well as operating expenses and management fees, which may increase the overall cost to the client by 1%-2% (or more), are available in each fund's prospectus.

A client's total cost of each of the services provided through these programs, if purchased separately, could be more or less than the costs of each respective program. Cost factors may include the client's ability to:

1. obtain the services provided within the programs separately with respect to the selection of mutual funds,
2. invest and rebalance the selected mutual funds without the payment of a sales charge, and
3. Obtain performance reporting comparable to those provided within each program.

When making cost comparisons, clients should be aware that the combination of multiple mutual fund investments, advisory services, custodial and brokerage services available through each program may not be available separately or may require multiple accounts, documentation, and fees. If an account is actively traded or the client otherwise may not qualify for reduced sales charges for fund purchases, the fees may be less expensive than separately paying the sales charges and advisory fees. If an account is not actively traded or the client otherwise would qualify for reduced sales charges, the fees in these programs may be more expensive than if utilized separately.

The client's financial advisor may have a financial incentive to recommend a fee-based advisory program rather than paying for investment advisory services, brokerage, performance reporting and other services separately. A portion of the annual advisory fee is paid to the client's financial advisor, which may be more than the financial advisor would receive under an alternative program offering or if the client paid for these services separately. Therefore, the client's financial advisor may have a financial incentive to recommend a particular account program over another. Financial advisors do not receive a financial incentive to recommend and sell proprietary mutual funds versus non-proprietary funds. However, because compensation structures vary by product type, financial advisors may receive higher compensation for certain product types. In addition, your financial advisor may receive incentive compensation for utilizing a particular account program.

FFA believes the charges and fees offered within each fee-based program are competitive with alternative programs available through other firms and/or investment sources, yet makes no guarantee that the aggregate cost of a particular program is lower than that, which may be available elsewhere.

Clients can terminate the all advisory agreements within the first 5 business days and any fees charged will be refunded.

#### **Refunds of a Pre-paid Fee Due to Termination**

The annual asset-based fee is paid quarterly in advance based on the account asset value on the last business day of the previous calendar quarter, and becomes due the following business day. If the advisory contract is terminated before the end of a billing period, the fee will be pro-rated for the quarter in which the cancellation notice was given and any unearned fees will be returned to the client.

#### **Disclosure That Fleishel Financial Associates Accepts Compensation For The Sale of Securities And Other Investment Products**

FFA may have a financial incentive to recommend a fee-based advisory program rather than paying for investment advisory services, brokerage, performance reporting and other services separately. A portion of the annual advisory fee is paid to FFA, which may be more than FFA would receive under an alternative program offering or if the client paid for these services separately. Therefore, FFA may have a financial incentive to recommend a particular account program over another. FFA does not

receive a financial incentive to recommend and sell proprietary mutual funds versus non-proprietary funds. However, because compensation structures vary by product type, FFA may receive higher compensation for certain product types. In addition, FFA may receive incentive compensation for utilizing a particular account program.

FFA believes the charges and fees offered within each fee-based program are competitive with alternative programs available through other firms and/or investment sources, yet makes no guarantee that the aggregate cost of a particular program is lower than that, which may be available elsewhere.

### **Client Broker Dealer Options**

As a registered representative of Raymond James Financial Services (RJFS), a registered broker dealer with FINRA, Mr. Fleishel will recommend RJFS to advisory clients for brokerage services. As a registered representative, Mr. Fleishel is subject to internal policies and regulatory rules that restrict him from conducting securities transactions away from RJFS. Therefore, clients are advised that Mr. Fleishel is limited to conducting securities transactions through RJFS. It may be the case that RJFS charges a higher fee than another broker charges for a particular type of service, such as transaction fees. Clients may utilize any broker dealer they choose and have no obligation to purchase or sell securities through RJFS. However, if the client does not use RJFS, Mr. Fleishel may not be able to accept the account for management.

As a registered FINRA broker dealer, RJFS routes order flow through its affiliated broker dealer Raymond James & Associates, Inc. ("RJA").

FFA believes that RJFS provides "best execution" in effecting transactions for client accounts. "Best execution" means obtaining for the client the lowest total cost (in purchasing a security) or highest total proceeds (in selling a security), taking into account the circumstances of the transaction and the reputability and reliability of the executing broker or dealer. In determining whether RJFS provides best execution for its clients, FFA considers all factors that it deems relevant to RJFS' execution capability, including, for example, price, the size of the transaction, the nature of the market for the security, the amount of the commission, the timing of the transaction in light of market prices and trends, the reputation, experience and financial stability of RJFS, and the quality of service rendered by RJFS.

### **Commissions**

If clients act upon FFA's advice and choose to use one of RJFS' affiliates as a money manager, custodian, or purchasing insurance, FFA may receive compensation in the form of commissions from affiliate. If a client chooses to use Mr. Fleishel in his individual capacity as an insurance agent, he will receive a commission. Additionally, if a client purchases a mutual fund containing a 12b-1 fee, FFA and Mr. Fleishel may receive such fee.

Less than 15% of FFA's revenue is derived from commissions generated by the sale of investment and insurance products.

As part of their fiduciary duty, FFA and its associated persons endeavor at all times to put the interests of clients first, but clients should be aware that the receipt of additional compensation itself creates a potential conflict of interest.

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

Fleishel Financial Associates, Inc. does not accept performance-based fees - that is, fees based on a share of capital gains on or capital appreciation of the assets of a client (such as a client that is in a hedge fund or other pooled investment vehicle).

## Item 7 Types of Clients

Fleishel Financial Associates, Inc. offers personalized investment advisory services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, and other business entities.

Clients who open a PASSPORT account must have a minimum account size of \$25,000. clients who participate in privately managed accounts through Raymond James Consulting Services must have a minimum account size of \$100,000 for all equity and balanced accounts, and \$200,000 for most fixed income accounts, although smaller accounts may be accepted based upon the specific circumstances of an account. Other programs recommended by FFA may impose different minimums as well. Please refer to specific program disclosures provide by the relevant program sponsor.

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

### Methods of Analysis

Fleishel Financial Associates reviews and selects portfolio managers utilizing both fundamental and technical analytical methods. The main sources of information for these reviews are; Primary research materials prepared by others, corporate rating services, annual reports, prospectuses, filings with the Securities and Exchange Commission and company press releases.

Some of the criteria used to professional money managers include: risk and return scores versus an investment's peer group, standard deviation, information ratios, yield, duration, maturity, total expense, management structure and tenure, investment style consistency and purity, average market capitalization, foreign market exposure, upside market capture and downside market capture.

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

### Investment Strategies

FFA does not primarily recommend any one particular type of security. All investment recommendations are made based on a client's individual situation such as risk tolerance, assets, liabilities, income, time-frame for goal, etc.

FFA primarily utilizes the principles of asset allocation. An investment strategy that aims to balance risk and reward by apportioning a portfolio's assets according to an individual's goals, risk tolerance and investment horizon. The three main asset classes - equities, fixed-income, and cash and equivalents - have different levels of risk and return, so each will behave differently over time.

### Risk of Loss

Investing in securities involves risk of loss that clients should be prepared to bear. FFA does not represent, warrant, or imply that the services or methods of analysis employed by FFA can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines.

Past performance is not indicative of future results. Asset allocation and diversification does not ensure a profit or protect against a loss.

### Margin Explanation

When clients purchase securities they may pay for the securities in full or may borrow part of the purchase price from Raymond James. Clients that choose to borrow funds for purchases must open a margin account with Raymond James, upon approval based on the firm's analysis of, among others things, the client's creditworthiness and the suitability of margin use by the client. The securities

purchased on margin are the firm's collateral for the margin loan. If the securities in the client's account decline in value, so does the value of the collateral supporting the margin loan, and as a result, Raymond James may take action, such as issue a margin call and/or sell securities in the account, in order to maintain the required equity in the account.

It is important that clients fully understand the risks involved in trading securities on margin (including selling short). Upon approval, where applicable, clients will receive a Truth In Lending Statement from Raymond James disclosing such risks, as well explaining the details and conditions under which interest will be charged, the method of computing interest and the conditions under which additional collateral may be required. Clients should understand that the extension of credit by Raymond James to clients will appear as a debit balance on the monthly brokerage statement. While the value of the margined security will appear as a debit, clients with a margin balance in an account(s) in the PASSPORT account programs will be assessed asset-based advisory fees based on the gross value of the account(s) without any offset for margin or debit balances. With respect to short sales, the client will be assessed asset-based advisory fees based on the value of the security sold short, but not on the proceeds received upon initiation of the short sale.

Therefore As a result of the foregoing, the client's financial advisor and Raymond James may have a financial incentive to recommend the acquisition of securities on margin or otherwise have margin credit extended (including selling short). In the event of such margin credit extension, the costs incurred by the client, as well as the compensation received by the client's financial advisor and Raymond James, will generally increase as the size of the outstanding margin balance increases

## **Item 9 Disciplinary Information**

### **Criminal or Civil Actions**

Neither Fleishel Financial Associates, Inc. nor any of its management personnel have been convicted of, or pled guilty or nolo contendere ("no contest") to (a) any felony; (b) a misdemeanor that involved investments or an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses.

Neither Fleishel Financial Associates, Inc. nor any of its management personnel have been named subject of a pending criminal proceeding that involves an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses.

Neither Fleishel Financial Associates, Inc. nor any of its management personnel have been to have been involved in a violation of an investment-related statute or regulation.

Neither Fleishel Financial Associates, Inc. nor any of its management personnel have been the subject of any order, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, your firm or a management person from engaging in any investment-related activity, or from violating any investment-related statute, rule, or order.

### **Administrative Proceedings**

Neither Fleishel Financial Associates, Inc. nor any of its management personnel have been found to have caused an investment-related business to lose its authorization to do business.

Neither Fleishel Financial Associates, Inc. nor any of its management personnel have been involved in a violation of an investment-related statute or regulation and was the subject of an order by the agency or authority;

- (a) denying, suspending, or revoking the authorization of your firm or a management person to act in an investment-related business
- (b) barring or suspending your firm's or a management person's association with an investment-related business;
- (c) otherwise significantly limiting your firm's or a management person's investment-related activities; or
- (d) imposing a civil money penalty of more than \$2,500 on your firm or a management person.

#### **Self-Regulatory Organization (SRO) Proceedings**

Neither Fleishel Financial Associates, Inc. nor any of its management personnel have caused investment-related business to lose its authorization to do business.

Neither Fleishel Financial Associates, Inc. nor any of its management personnel have been involved in a violation of the SRO's rules and was:

- (i) barred or suspended from membership or from association with other members, or was expelled from membership;
- (ii) otherwise significantly limited from investment-related activities; or (iii) fined more than \$2,500.

#### **Item 10 Other Financial Industry Activities and Affiliations**

Neither Fleishel Financial Associates Inc. nor any of its management personnel are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer, disclose this fact.

Neither Fleishel Financial Associates Inc. nor any of its management personnel have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities, disclose this fact.

Neither Fleishel Financial Associates Inc. nor any of its management personnel have any relationship or arrangement that is material to its advisory business or to its clients with any of the below listed related persons:

1. broker-dealer, municipal securities dealer, or government securities dealer or broker
2. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund)
3. other investment adviser or financial planner
4. futures commission merchant, commodity pool operator, or commodity trading advisor
5. banking or thrift institution
6. accountant or accounting firm
7. lawyer or law firm

8. insurance company or agency
9. pension consultant
10. real estate broker or dealer
11. sponsor or syndicator of limited partnerships

#### **Recommendation or Selection Of Other Investment Advisers**

As a registered representative of Raymond James Financial Services (RJFS), a registered broker dealer with FINRA, Mr. Fleishel will recommend RJFS to advisory clients for brokerage services. As a registered representative, Mr. Fleishel is subject to internal policies and regulatory rules that restrict him from conducting securities transactions away from RJFS. Therefore, clients are advised that Mr. Fleishel is limited to conducting securities transactions through RJFS. It may be the case that RJFS charges a higher fee than another broker charges for a particular type of service, such as transaction fees. Clients may utilize any broker dealer they choose and have no obligation to purchase or sell securities through RJFS. However, if the client does not use RJFS, Mr. Fleishel may not be able to accept the account for management.

As a registered FINRA broker dealer, RJFS routes order flow through its affiliated broker dealer Raymond James & Associates, Inc. ("RJA").

FFA believes that RJFS provides "best execution" in effecting transactions for client accounts. "Best execution" means obtaining for the client the lowest total cost (in purchasing a security) or highest total proceeds (in selling a security), taking into account the circumstances of the transaction and the reputability and reliability of the executing broker or dealer. In determining whether RJFS provides best execution for its clients, FFA considers all factors that it deems relevant to RJFS' execution capability, including, for example, price, the size of the transaction, the nature of the market for the security, the amount of the commission, the timing of the transaction in light of market prices and trends, the reputation, experience and financial stability of RJFS, and the quality of service rendered by RJFS.

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

Fleishel Financial Associates, Inc. has adopted a Code of Ethics, the full text of which is available to clients and prospective clients upon request. FFA has several goals in adopting this Code, including its intent to comply with all applicable laws and regulations governing its practice. The management of FFA has set forth guidelines for professional standards, which all associated persons of FFA are expected to uphold. FFA has set high standards, the intention of which is to protect client interests at all times and to demonstrate its commitment to its fiduciary duties of honesty, good faith, and fair dealing with clients. All associated persons are expected to adhere strictly to these guidelines, as well as the procedures for approval and reporting established in the Code of Ethics primarily related to personal securities transactions, and violations of the Code. Additionally, FFA maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by FFA or any person associated with FFA.



FFA or individuals associated with FFA may buy or sell - for their personal accounts - investment products identical to those recommended to clients. It is the expressed policy of FFA that employees shall not have priority in any purchase or sale over clients' accounts.<sup>(1) (2)</sup>

Footnotes:

<sup>(1)</sup> This policy has been established recognizing that some securities being considered for purchase and/or sale on behalf of FFA's clients trade in sufficiently broad markets to permit transactions by clients to be completed without an appreciable impact on the markets of the securities. Under certain circumstances, exceptions may be made to the policies stated above. Records of these trades, including the reasons for exceptions, will be maintained with FFA's records.

<sup>(2)</sup> The foregoing does not apply to certain types of securities, such as obligations of the U.S. Government, and shares in open-end mutual funds. Open-end mutual funds are purchased or redeemed at a fixed net asset value price per share specific to the date of purchase or redemption. As such, transactions in mutual funds by associated persons of FFA are not likely to have an impact on the prices of the fund shares in which clients invest.

## **Item 12 Brokerage Practices**

As a registered representative of Raymond James Financial Services (RJFS), a registered broker dealer with FINRA, Mr. Fleishel will recommend RJFS to advisory clients for brokerage services. As a registered representative, Mr. Fleishel is subject to internal policies and regulatory rules that restrict him from conducting securities transactions away from RJFS. Therefore, clients are advised that Mr. Fleishel is limited to conducting securities transactions through RJFS. It may be the case that RJFS charges a higher fee than another broker charges for a particular type of service, such as transaction fees. Clients may utilize any broker dealer they choose and have no obligation to purchase or sell securities through RJFS. However, if the client does not use RJFS, Mr. Fleishel may not be able to accept the account for management.

As a registered FINRA broker dealer, RJFS routes order flow through its affiliated broker dealer Raymond James & Associates, Inc. ("RJA").

FFA believes that RJFS provides "best execution" in effecting transactions for client accounts. "Best execution" means obtaining for the client the lowest total cost (in purchasing a security) or highest total proceeds (in selling a security), taking into account the circumstances of the transaction and the reputability and reliability of the executing broker or dealer. In determining whether RJFS provides best execution for its clients, FFA considers all factors that it deems relevant to RJFS' execution capability, including, for example, price, the size of the transaction, the nature of the market for the security, the amount of the commission, the timing of the transaction in light of market prices and trends, the reputation, experience and financial stability of RJFS, and the quality of service rendered by RJFS.

### **General Promotional Activities**

From time to time FFA receives compensation in the form of sponsorship fees for seminars, meetings or conferences from product sponsors such as unaffiliated mutual funds, insurance companies and annuity sponsors. Such sponsorship fees generally entitle the sponsor to an allotted presentation to representatives of FFA.

As part of its fiduciary duties to Clients, FFA endeavors at all times to put the interests of its advisory Clients first. Clients should be aware, however, that the receipt of economic benefits by FFA in and of itself creates a potential conflict of interest.

### **Aggregation of Securities Purchases or Sales**

Participants in the PASSPORT programs may be entitled to a discounted asset-based fee if they maintain one or more related accounts within these programs. It is the client's responsibility to include all Related Accounts for purposes of qualifying for an aggregated account fee discount. While FFA may attempt to identify related accounts, it shall not be held responsible for failing to consider any related accounts not listed by the client.

Related accounts are accounts of an individual, his or her spouse, and their children under the age of twenty-one. The term includes individually owned accounts, individual retirement accounts (IRAs), self-directed accounts (i.e., directed by individual participants) under an employee benefit plan (ERISA plan) and ERISA plan accounts in which an individual is the sole participant. Thus, related accounts of the PASSPORT program may be aggregated for advisory fee purposes, so that each account will pay a fee, which is calculated on the basis of the total of all related accounts. It is the client's responsibility to include all related accounts for purposes of qualifying for an aggregated account fee discount. While RJFS and FFA may attempt to identify related accounts, it shall not be held responsible for failing to consider any related accounts not listed by the client.

### **Item 13 Review of Accounts**

Client accounts are monitored on a continuous basis. Thomas B. Fleishel, President, is responsible for overseeing all accounts. Formal reviews are conducted at least annually. Reviews may be conducted more frequently as needed and/or on predetermined basis as agreed upon between the client and FFA. Triggering factors for additional reviews include, but are not limited to, significant changes in market conditions, large deposits or withdrawals from an account, and the client's request for an additional review. Clients are encouraged to contact FFA with any questions, or changes in financial situation or investment guidelines.

For clients who have engaged FFA for ongoing financial planning, FFA meets with clients on a schedule dictated by the level of planning service the client selects. For clients who have not engaged FFA for ongoing financial planning, upon request, FFA will provide periodic investment and performance reviews depending on their prescribed schedule of services. Client requested meetings will be conducted either face-to-face or via telephone conferencing.

FFA may prepare periodic asset allocation and performance reports and/or additional reports in conjunction with client meetings and account reviews. Clients typically receive monthly reports and/or a per transaction report directly from RJFS for securities transactions in their account. In general, Clients will also receive reports no less frequently than quarterly from the custodian holding their funds and securities. Typically, clients also have electronic access to such reports from the account custodian.

Depending on the level of service selected by a client, FFA provides periodic performance reports and/or additional reports in conjunction with client meetings and account reviews. These additional reports can include reports such as total asset allocation, distribution reports and performance summaries.

Clients typically receive monthly reports and/or a per transaction report directly from RJFS for securities transactions in their account. In general, Clients will also receive reports no less frequently than quarterly from the custodian holding their funds and securities. Typically, clients also have electronic access to such reports from the account custodian.



## **Item 14 Client Referrals and Other Compensation**

If clients act upon FFA's advice and choose to use one of RJFS' affiliates as a money manager, custodian, or purchasing insurance, FFA may receive compensation in the form of commissions from affiliate. Clients are given the opportunity to select from any carrier of their choice but FFA conducts extensive price comparisons and helps the client select the appropriate coverage for their situation. If a client chooses to use Mr. Fleishel in his individual capacity as an insurance agent, he will receive a commission. Additionally, if a client purchases a mutual fund containing a 12b-1 fee, FFA and Mr. Fleishel may receive such fee.

As part of their fiduciary duty, FFA and its associated persons endeavor at all times to put the interests of clients first, but clients should be aware that the receipt of additional compensation itself creates a potential conflict of interest.

FFA does not compensate any directly or indirectly related persons who are not supervised persons for client referrals.

## **Item 15 Custody**

Fleishel Financial Associates, Inc. shall never have custody of any client funds or securities, as the services of a qualified and independent custodian will be used for these services.

## **Item 16 Investment Discretion**

Exclusively, through the Raymond James administered (fee based) PASSPORT investment account, clients generally grant Fleishel Financial Associates discretion over the selection of and the amount of securities to be bought or sold without obtaining their prior consent or approval. However, FFA's investment authority may be subject to specified investment objectives, guidelines, and/or conditions imposed by the client. For example, a client may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry. Clients may amend these limitations, as required and such amendments must be submitted in writing.

## **Item 17 Voting Client Securities**

FFA will not vote proxies or render any advice regarding proxies solicited by or with respect to the issuers of securities held in client accounts.

Additionally, FFA will not take any action or render any advice with respect to any securities held in client accounts, which are named in or are subject to class action lawsuits. FFA will, however, forward to client any proxy materials or information received by FFA regarding class action legal matters involving securities held in client accounts. Where FFA receives written or electronic proxy material or notice of a class action lawsuit, settlement, or verdict affecting securities owned by a client, it will forward all notices, proof of claim forms, and other materials, to the client. Electronic mail is acceptable where appropriate, if the client has authorized contact in this manner.

## **Item 18 Financial Information**

As Fleishel Financial Associates do not require or solicit prepayment of more than \$500 in fees per client, six months or more in advance, a balance sheet for our most recent fiscal year was not required to be included.

FFA has never been the subject of a bankruptcy petition at any time.

## **Item 19 Requirements for State-Registered Advisers**

Please refer to the Form ADV Part 2B brochure supplements for background information about management personnel and others giving advice on behalf of our firm.

Our firm is not actively engaged in any business other than giving investment advice.

Neither our firm, nor any persons associated with our firm are compensated for advisory services with performance-based fees. Please refer to the "Performance-Based Fees and Side-By-Side Management" section above for additional information on this topic.

Neither our firm, nor any of our management persons have any reportable arbitration claims, civil, self-regulatory organization proceedings or administrative proceedings.

Neither our firm, nor any of our management persons have a material relationship or arrangement with any issuer of securities.

**Thomas Fleishel**

**Fleishel Financial Associates, Inc.  
812 North Woodland Boulevard, DeLand, FL 32720**

Phone: (386) 738-1800

**June 12, 2012**

**FORM ADV PART 2B  
BROCHURE SUPPLEMENT**

**This brochure supplement provides information about Thomas Fleishel that supplements the Fleishel Financial Associates, Inc. brochure. You should have received a copy of that brochure. Please contact our President, Thomas Fleishel if you did not receive Fleishel Financial Associate's brochure or if you have any questions about the contents of this supplement.**

**Additional information about Thomas Fleishel is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## Item 2 Educational Background and Business Experience

**Thomas Fleishel**

*Year of Birth:* 1957

*Formal Education after High School:*

- U.S. Army, 1975-1978
- University of Georgia, B.S., Agronomy, 1983
- Stetson University, M.B.A. 1988
- Certified Financial Planner, 1994

*Business Background for the Previous Five Years:*

- Fleishel Financial Associates, Inc., President, 10/1990 - Present; Investment Adviser Representative & Chief Compliance Officer, 01/2002 - Present
- Raymond James Financial Services, Inc., Registered Representative, 04/1991 - Present

*Certifications:*

- Certified Financial Planner
- M.B.A. from Stetson University

## Item 3 Disciplinary Information

### A. Criminal or Civil Actions

Neither Fleishel Financial Associates, Inc. nor any of its management personnel have been convicted of, or pled guilty or nolo contendere ("no contest") to (a) any felony; (b) a misdemeanor that involved investments or an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses.

Neither Fleishel Financial Associates, Inc. nor any of its management personnel have been named subject of a pending criminal proceeding that involves an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses.

Neither Fleishel Financial Associates, Inc. nor any of its management personnel have been to have been involved in a violation of an investment-related statute or regulation.

Neither Fleishel Financial Associates, Inc. nor any of its management personnel have been the subject of any order, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, your firm or a management person from engaging in any investment-related activity, or from violating any investment-related statute, rule, or order.

### B. Administrative Proceedings

Neither Fleishel Financial Associates, Inc. nor any of its management personnel have been found to have caused an investment-related business to lose its authorization to do business.

Neither Fleishel Financial Associates, Inc. nor any of its management personnel have been involved in a violation of an investment-related statute or regulation and was the subject of an order by the agency or authority;

- (a) denying, suspending, or revoking the authorization of your firm or a management person to act in an investment-related business
- (b) barring or suspending your firm's or a management person's association with an investment-related business;
- (c) otherwise significantly limiting your firm's or a management person's investment-related activities; or
- (d) imposing a civil money penalty of more than \$2,500 on your firm or a management person.

### **C. Self-Regulatory Organization (SRO) Proceedings**

Neither Fleishel Financial Associates, Inc. nor any of its management personnel have caused investment-related business to lose its authorization to do business.

Neither Fleishel Financial Associates, Inc. nor any of its management personnel have been involved in a violation of the SRO's rules and was:

- (i) barred or suspended from membership or from association with other members, or was expelled from membership;
- (ii) otherwise significantly limited from investment-related activities; or (iii) fined more than \$2,500.

### **D. Revocation or Suspension of Professional Designation, License or Attainment**

Neither Fleishel Financial Associates, Inc. nor any of its management personnel have been involved in any proceeding in which a professional attainment, designation, or license of the supervised person was revoked or suspended because of a violation of rules relating to professional conduct.

## **Item 4 Other Business Activities**

As previously disclosed, Mr. Fleishel is a registered representative of RJFS, a registered broker dealer and FINRA & SIPC member. Additionally, Mr. Fleishel is licensed as an insurance agent offering disability, fixed annuities, and long-term care insurance from a variety of product sponsors. Therefore, Mr. Fleishel will earn separate commission based compensation in conjunction with the sale of securities and insurance related products. In his capacity as a registered representative of RJFS, Mr. Fleishel may recommend securities of various types, including, but not limited to, stocks, bonds, mutual funds, fixed and variable annuities, and other insurance products to advisory clients.

All compensation received by Mr. Fleishel in conjunction with securities transactions through RJFS and/or insurance sales will be separate, yet customary for effecting the services and transactions, including 12b-1 fees for the sale of investment company products. Mr. Fleishel may make differing recommendations with respect to the same securities or insurance products to different advisory clients. All recommendations made are specific to each client's individualized needs and current financial situation. Clients to whom FFA offers advisory services are advised that they are free to implement recommendations under any broker dealer and/or insurance agency or agent they choose.

The majority of his professional time is spent providing financial planning, and investment advisory services on behalf of FFA.

## **Item 5 Additional Compensation**

As part of their fiduciary duty, FFA and its associated persons endeavor at all times to put the interests of clients first, but clients should be aware that the receipt of additional compensation itself creates a potential conflict of interest.

## **Item 6 Supervision**

All advice offered by representatives of Fleishel Financial Associates, an Independent Registered Investment Advisor, is monitored by Thomas Fleishel, CEO & Owner. Mr. Fleishel's phone number is (386) 738-1800.

## **Item 7 Requirements for State-Registered Advisers**

Thomas Fleishel does not have any reportable arbitration claims. He has not been found liable in a reportable civil, self-regulatory organization or administrative proceeding; and, he has not been the subject of a bankruptcy petition.