

Firm Brochure

(Part 2A of Form ADV)

Item 1

Gibson Financial Solutions, LLC

P.O. Box 1093

67 Franklin Street

Ellsworth, Maine 04605

(207) 667-9993

(207) 667-9999 fax

gibsonfinancialsolutions.com

annegibson@gibsongfs.com

This brochure provides information about the qualifications and business practices of Gibson Financial Solutions, LLC. If you have any questions about the contents of this brochure, please contact us at: (207) 667-9993, or by email at: annegibson@gibsongfs.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 Gibson Financial Solutions, LLC is available on the SEC's website at www.adviserinfo.sec.gov

May 7, 2012

Item 2 Material Changes

Annual Update

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

Material Changes since the Last Update

The U.S. Securities and Exchange Commission issued a final rule in July 2010 requiring advisers to provide a Firm Brochure in narrative “plain English” format. The new final rule specifies mandatory sections and organization. **Gibson Financial Solutions, LLC switched from Federal Regulation to State Licensure in 2012 due to the Dodd Frank Act. The last annual update of this brochure was done March 15, 2012.**

Full Brochure Available

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: (207) 667-9993 or by email at: annegibson@gibsongfs.com.

Item 3

Table of Contents

1. Cover Page.....
2. Material Changes.....	i
Annual Update	i
Material Changes since the Last Update	i
Full Brochure Available	i
3. Table of Contents.....	toc1-toc3
4. Advisory Business	1
Firm Description.....	1
Principal Owner.....	1
Types of Advisory Services.....	1
Tailored Relationships	2
Types of Agreements.....	2
Financial Planning Agreement	2
Investment Advisory Agreement	3
Tax Preparation Agreement.....	5
Hourly Consulting Engagements.....	5
Asset Management	5
Termination of Agreement	5
5. Fees and Compensation	6
Description	6
Fee Billing	7
Other Fees.....	7
Expense Ratios.....	7
Past Due Accounts and Termination of Agreement	7
6. Performance-Based Fees	8
Sharing of Capital Gains	8
7. Types of Clients.....	8
Description	8

Account Minimums.....	8
8. Methods of Analysis, Investment Strategies and Risk of Loss.....	8
Methods of Analysis	8
Investment Strategies	9
Risk of Loss	10
9. Disciplinary Information	12
Legal and Disciplinary.....	12
10. Other Financial Industry Activities and Affiliations	12
Financial Industry	12
Affiliations	12
11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	12
Code of Ethics	12
Participation or Interest in Client Transactions.....	13
Personal Trading.....	13
12. Brokerage Practices.....	14
Selecting Brokerage Firms.....	14
Best Execution	15
Soft Dollars	15
Order Aggregation	15
13. Review of Accounts	15
Periodic Reviews	15
Review Triggers.....	15
Regular Reports.....	15
14. Client Referrals and Other Compensation	16
Incoming Referrals.....	16
Referrals Out	16
Other Compensation.....	16
15. Custody.....	16
Account Statements.....	16
Performance Reports.....	16

16. Investment Discretion	16
Discretionary Authority for Trading.....	16
Limited Power of Attorney	17
17. Voting Client Securities	17
Proxy Votes	17
18. Financial Information	17
Financial Condition	17
19. Requirements for State Licensed Advisers	18

Item 4 Advisory Business

Firm Description

Gibson Financial Solutions, LLC, ("GFS") a fee-only financial planning and investment advisory firm, was founded in 2001 by Anne C. Gibson, MBA, CFP®.

Principal Owner

Anne C. Gibson, MBA, CFP®

Types of Advisory Services

GFS provides two distinct types of services; personalized confidential **Financial Planning/Consulting** and **Investment Management** services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations and small businesses. We provide these services after in-depth consultations with clients. An initial meeting, which may be by telephone, is free of charge and is considered an exploratory interview to determine whether or not we can effectively be of service to you, as well as to allow you to evaluate us.

Financial Planning/Consulting may include a determination of financial objectives, identification of financial problems, cash flow planning and management, tax planning, risk tolerance assessments, investment analysis, education funding and college planning, retirement planning, and estate planning. We want our clients to gain knowledge through our relationship so teaching is an important part of the financial planning/consulting engagement. We desire and expect your participation.

Investment Management is provided for clients who want a professional manager to manage their investment portfolios. When we manage assets, TD Ameritrade serves as custodian of the assets and we place trades for you under a limited power of attorney.

We do not sell annuities, insurance, stocks, bonds, mutual funds, limited partnerships, or other commissioned products and we are not affiliated with entities that sell financial products or securities. We do not accept commissions, finder's fees, or 12b-1 fees and do not participate in wrap fee programs.

As of 3/31/2012, we have \$60,080,175 million in assets under management with \$53,731,837 million under full discretion and \$6,348,338 million non-discretionary. We provide this service to approximately 100 families.

Upon request, GFS will provide educational seminars to groups. Topics that we have previously presented include tax updates, financial planning process, college planning, cash flow planning, budget preparation, and introduction to investments.

Tailored Relationships

Each client relationship is unique to the needs of the client.

To introduce us to your risk personality, you complete risk tolerance questionnaires. The answers familiarize us with your risk tolerance and we then document your goals and objectives. If you do financial planning with us, we incorporate the results from the financial planning work into the goals and objectives. When we manage assets, we create an Investment Policy Statement that lists your stated goals and objectives, describes your risk tolerance as demonstrated from the results of the risk tolerance questionnaires and incorporates cash flow needs learned from financial planning, if applicable. You may impose restrictions on investing in certain securities or types of securities.

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) are engaged directly by you on an as-needed basis. Conflicts of interest will be disclosed to you in the unlikely event they should occur.

Types of Agreements

The following agreements define the typical client relationships. Agreements may not be assigned without your consent.

Financial Planning/Consulting Agreement

A financial plan is designed to help you with all aspects of financial planning. Financial Planning does not include ongoing investment management although clients may decide to engage us for ongoing investment management after we complete the planning process.

The financial plan may include, but is not limited to: a net worth statement; a cash flow statement; a review of investment accounts, including reviewing asset allocation and providing repositioning recommendations; strategic tax planning; a review of retirement accounts and plans including recommendations; a review of insurance policies and recommendations for changes, if necessary; one or more retirement scenarios; estate planning review and recommendations; and education planning with funding recommendations. It is your responsibility to implement or not to implement any recommendations arising from the financial plan

Detailed investment advice and specific recommendations may be provided as part of a financial plan, if requested but ongoing oversight of assets is only done under an Investment Advisory Agreement. Under a Financial Planning engagement you must initiate contact with us each time an investment assessment or any other advice is needed.

In all financial planning engagements, we work in your presence, either in person or via the internet and telephone, during the information gathering and programming of the data. This usually takes approximately 3 hours. By the end of the 3 hour session, you will usually understand the pros and cons of

current behaviors and plans and will have a list of tasks that you need to do to improve projections, if applicable. We run reports that demonstrate the preliminary findings. At the end of the 3 hour session you will then elect one of two planning options.

The first option is called Quick Planning, an option in which the input meeting has rendered enough information for you to move forward independently. No further analysis after the meeting is done.

The second option is Comprehensive Planning. After the 3 hour meeting, we produce reports, may develop more scenarios as we further analyze your situation, and we prepare a written report for you for future reference. The report explains courses of action needed to accomplish goals or improve projections.

After delivery of a financial plan, you may schedule future face-to-face or phone meetings at the hourly rate of \$150. If you hire us to serve as Investment Adviser, we both will sign an Investment Advisory Agreement and Investment Advisory fees subsequently apply.

Investment Advisory Agreement

Many Financial Planning clients choose to have GFS manage their assets in order to obtain ongoing in-depth advice and management of assets. It is not necessary to undergo the Financial Planning process prior to becoming an Investment Advisory client but the knowledge gained from the Financial Planning process is useful to the Investment Advisory relationship.

An Investment Advisory Agreement is signed by you and GFS. If Financial Planning has been done and you sign on for asset management, financial planning services continue and are covered under the Investment Advisory fee. If Financial Planning has not been done, then the service under the Investment Advisory Agreement focuses on asset management. We develop an Investment Policy Statement (IPS) which serves as the road map we will follow in the management of assets. Over time, we update the IPS to reflect changes in your goals and objectives. Consequently, we need you to communicate frequently with us so that we are up to date in this regard at all times.

The scope of work and fee for an Investment Advisory Agreement is provided to you, in writing, prior to the start of the relationship.

Although the Investment Advisory Agreement is an ongoing agreement and constant adjustments are required, the length of service to you is at your discretion. Either of us may terminate an Agreement by written notice to the other party. At termination, fees will be billed on a pro-rata basis for the portion of the month or quarter completed. The portfolio value at the completion of the prior full billing month or quarter is used as the basis for the fee computation, adjusted for the number of days during the billing month or quarter prior to termination.

For our clients who wish to have their accounts managed with a focus on individual equity securities, we have established an alliance with Deighan & Associates, Inc., (DAI) an investment advisory firm located in Bangor. This Alliance enables our clients to have the expertise of a firm that specializes in individual security management while at the same time continue to work with us as the primary contact and account administrator.

Under the GFS/DAI Alliance, you will sign an Investment Advisory Agreement with the DAI/GFS alliance. You will receive an ADV from DAI as well as GFS. Assets are custodied at Charles Schwab under this arrangement. GFS will meet with you and, after a thorough consultation, will determine your investment objectives, time horizon, cash flow needs, risk tolerance, reward expectations, and investment constraints. DAI will serve as portfolio manager and provider of reporting services. With the information and guidance provided by us, DAI, Inc. will prepare your Investment Policy Statement that will include the foregoing information plus a target asset mix, a method of measuring investment results and frequency of investment review. DAI, will perform full portfolio management services in accordance with the IPS, and will consult directly with the client whenever requested. We will serve as the primary administrative contact for you.

Management fees will be charged pursuant to DAI's published fee structure. However, the management fee will be prorated between DAI and GFS for our respective services rendered. DAI will specify the charges for separate GFS and DAI services in a monthly notice sent directly to you. You may pay us directly or instruct the custodian to pay us from the account. You will approve all fee arrangements in writing.

Clients retaining the GFS/DAI Alliance must sign documents relating to services provided by both parties. It is important that clients understand that GFS and DAI will share client information between the entities in order to provide the quality of service and performance that you deserve and expect. However, both firms are dedicated to client confidentiality, and both firms maintain written privacy policy and SEC and/or State required disclosure statements that are offered annually to clients and are available for client review at any time.

Clients retaining the GFS/DAI Alliance must also sign securities custody documents. DAI recommends Charles Schwab Institutional as securities custodian. Charles Schwab Institutional provides DAI with timely and accurate information through a computer downloading process that allows the firm to spend less time on operational issues and focus instead on the issues that are most important to clients. DAI also uses Charles Schwab for trading client securities. Clients will have access to DAI's detailed discussion of best execution in securities trading in their Disclosure Statement. However, Charles Schwab does not limit DAI to placing transactions through Charles Schwab. Thus, the firm is able to place consolidated transactions at other brokerage firms for all client accounts meeting a minimum market value criteria of \$125,000. DAI generally uses this trading arrangement to purchase

or sell securities that are thinly traded and difficult to obtain such as municipal bonds.

Tax Preparation Agreement

We do not provide tax preparation services.

Hourly Consulting Engagements

We provide hourly consulting services for clients who need advice on a limited scope of work. The hourly rate for limited scope engagements is \$150.

Asset Management

Asset Management engagements are covered under Investment Advisory Agreements. We invest assets primarily in no-load mutual funds, Exchange Traded Funds (ETFs), Certificates of Deposit, US Government securities and money market funds. Fund companies charge each fund shareholder an investment management fee that is disclosed in the fund prospectus. Discount brokerages such as TD Ameritrade may charge a transaction fee for the purchase of some funds.

We may purchase or sell stocks and bonds through a brokerage account when appropriate. The brokerage firm charges a fee for stock and bond trades. We do not receive any compensation, in any form, from fund companies or brokerage firms.

Investments may also include: equities (stocks), corporate debt securities, commercial paper, municipal securities, and investment company securities (variable life insurance, variable annuities, and mutual funds shares).

Initial public offerings (IPOs) are not available through GFS.

Termination of Agreement

You may terminate any of the aforementioned agreements at any time by notifying us in writing and paying the rate for the time spent on the investment advisory engagement prior to notification of termination. If you made an advance payment, we will refund any unearned portion of the advance payment.

We may terminate any of the aforementioned agreements at any time by notifying you in writing. If you made an advance payment, we will refund any unearned portion of the advance payment.

Item 5 Fees and Compensation

Description

As previously described under the service description sections, we generally base our fees on a percentage of assets under management, hourly charges, or retainer fees.

Retainer fees are generally priced based on the complexity of work and assets under management and are generally offered when asset management is not the most significant part of the relationship.

We prepare financial plans and consult using an hourly fee of \$150. The fee for financial planning and consulting is based on the number of hours involved in plan development and preparation and is charged at \$150 per hour. The number of hours involved depends upon the complexity of your situation and typically takes from 3-15 hours. Clients may select the Quick Plan approach or the Comprehensive Approach, thereby controlling time and cost.

The annual Investment Advisory Agreement fee is generally based on a percentage of the investable assets according to the following schedule:

**1.00% on the first \$500,000;

**0.50% on the next \$1,500,000 (from \$500,001 to \$2,000,000); and

**0.25% on the assets above \$2,000,000.

The minimum annual fee is generally \$500. Current client relationships may exist where the fees are lower than the fee schedule noted above or may be based on a retainer rather than assets under management, especially if asset management is not the most significant part of the relationship.

Fees are negotiable. Some determining factors in negotiating fees include totality of services to be provided, complexity of your situation, and estimate of time to provide services. GFS in its sole discretion, may waive its minimum fee and/or charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.).

We are constantly aware of the conflict of interest of the Assets Under Management fee structure. Circumstances may arise in which you may request advice concerning, for example, paying off a mortgage, making charitable contributions, or gifting assets which would result in a reduction in assets under management. In the event such a circumstance arises, we will disclose the conflict of interest, discuss the pros and cons of taking action, and will recommend that you obtain additional counsel from your accountant, attorney or other professional.

Fee Billing

Investment management fees are billed monthly or quarterly, in arrears, meaning that we invoice you after the monthly or quarterly billing period has ended. Payment in full is expected upon invoice presentation. When we manage assets, we generally deduct fees from a designated account to facilitate billing. You must consent in advance to direct debiting of an account or you may elect to pay fees directly.

We bill for financial plans and other hourly work upon completion of the planning/hourly engagement at \$150 per hour. We do not deduct hourly fees directly from client accounts.

Other Fees

Custodians may charge transaction fees on purchases or sales of certain mutual funds and exchange-traded funds. These transaction charges are usually small and incidental to the purchase or sale of a security. The selection of the security is more important than the nominal fee that the custodian charges to buy or sell the security.

Clients may incur brokerage fees and commissions. Please see the section entitled "Brokerage Practices" in Item 12. We are not affiliated with a Broker-Dealer and we do not split commissions or receive commissions, nor do we accept 12-b1 fees or any remuneration from any party other than fees paid to us by our clients as previously described.

Expense Ratios

Mutual funds generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.5% for their services. These fees are in addition to the fees paid by you to GFS.

Performance figures quoted by mutual fund companies in various publications are after their fees have been deducted.

Past Due Accounts and Termination of Agreement

We reserve the right to terminate any financial planning engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in our judgment, to providing proper financial advice.

We reserve the right to terminate any investment management engagement. Reasons for termination might include but are not limited to the client impeding our ability to manage accounts in the client's best interest, per the judgment of GFS, or failure to pay management fees within 60 days of the presentation of the bill. GFS will contact the client in writing to discuss the

reason for termination. This contract may not be assigned by either party without the express written consent of the other party.

Item 6 Performance-Based Fees

Sharing of Capital Gains

Fees are not based on a share of the capital gains or capital appreciation of managed securities.

We do not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

Item 7 Types of Clients

Description

We generally provide investment advice to individuals, trusts, estates, charitable organizations, corporations or business entities.

Client relationships vary in scope and length of service.

Account Minimums

Clients receiving ongoing asset management services will be assessed a \$500 minimum annual fee. Consequently, clients with assets below \$50,000 may pay a higher percentage rate on their annual fees than the fees paid by clients with greater assets under management. Depending upon circumstances, GFS may sign an *Hourly Consulting Agreement* with the client if asset values are below \$50,000 or have diminished significantly below \$50,000.

We have discretion to waive the account minimum. Accounts of less than \$50,000 may be set up when we anticipate the client will add additional funds to the accounts bringing the total to \$50,000 within a reasonable time. Other exceptions will apply to employees of GFS and their relatives, or relatives of existing clients.

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

Methods of Analysis

We primarily use mutual funds and exchange traded funds for the equity positions in accounts. We also may use mutual funds and exchange traded funds for fixed income. Security analysis is done by the fund managers in the

creation of the fund composition and may include charting, fundamental analysis, technical analysis, cyclical analysis and other methods. Our in-house analysis is then done on mutual funds and exchange traded funds to determine which shall be included in the universe we select for use in our clients' portfolios.

Our main source of mutual fund and ETF information is the Morningstar database. We also use The Independent Vanguard Adviser, Kiplinger Personal Adviser and Tax Letter, the World Wide Web and other publications to obtain information on funds. If individual equities are held in accounts, usually by client direction, we primarily use Valueline to monitor these securities along with other public sources of information.

Criteria that we consider in the selection of funds include, but is not limited to, category (ie, large growth, large blend, large value, etc), rank in category over various time periods, composition of fund in terms of international exposure as well as sector exposure, risk measures to returns over various time periods, turnover, expense ratios, and statistical measures such as alpha, beta and standard deviation.

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

Investment Strategies

Our primary investment strategy used on client accounts is strategic asset allocation which is the decision concerning how much to invest in stocks versus fixed income and money market funds. This asset allocation decision is the predominant factor impacting an investor's returns.

Once the asset allocation decision is made, we then further diversify the equity components to include funds comprised of large companies, mid-size companies, small companies, as well as international companies. Generally we use a core position in these sub-categories and complement the sub-categories with satellite funds for the purpose of enhancing performance by reducing risk with further diversification. Core funds and satellite funds may be passive index funds or actively managed funds.

For fixed income, we attempt to time the maturity of securities to client needs. We generally prefer individual fixed income items of investment quality over mutual funds and exchange traded funds; however, we also use fixed income mutual funds and exchange traded fixed income funds to further diversify the fixed income portion. These may include funds of different durations (short-term, mid-term and long-term) as well as different quality rankings and entity composition such as United States Treasury and Agency issues, corporate debt and municipal and state debt.

We primarily use no-load mutual funds in our portfolios, although, on occasion a load fund may be used. The TD Ameritrade platform offers many mutual funds to us with no transaction fees assessed (these are known as no

transaction fee funds or NTF's) at purchase or sale. Some mutual fund companies such as Vanguard and Fidelity are not NTF funds and when we purchase or sell shares of those companies, a transaction fee may be charged. This fee is currently \$24 per transaction and may be amended by TD Ameritrade. Loads and transaction fees do not accrue to GFS. When we purchase exchange traded funds there will be a trading fee assessed by TD Ameritrade which is currently \$9.99 per transaction and these do not accrue to GFS. Trading fees may be amended by TD Ameritrade. All funds have internal management fees, none of which accrue to GFS. We do not trade frequently in our clients' accounts.

We review funds periodically to determine if they continue to meet our criteria and your objectives. At least quarterly, we review your total portfolio, which may include outside non-managed assets, using Morningstar Workstation which enables us to assess how all assets in your portfolio are invested and how they complement other assets. The analysis includes a review of overall asset allocation, percentage in stocks, bonds and cash, international and emerging markets exposure, dispersion of company sizes (large caps, mid caps, and small caps), international dispersion, and quality and duration of fixed income. This is then compared to our investment policies and philosophies and the provisions in your Investment Policy Statement. If the portfolio is out of line with our policies and philosophies or your IPS, we will realign the assets.

The investment strategy we apply to your portfolio is based upon the objectives stated by you during consultations. As your circumstances change, you may change these objectives at any time. You execute an Investment Policy Statement that documents your objectives which take into consideration your time horizon, your cash flow needs, your risk tolerance, tax status, and other constraints. We update this for you as you communicate changes to us.

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

Risk of Loss

There is material risk involved in any investment strategy. Some of the risks include the following: the risk that the general level of asset prices will decline; the financial condition of the issuers of individual securities may decline; various and unpredictable factors such as inflation, interest rates, economic expansion or contraction, global, regional, economic, political or banking crises; lack of liquidity or active trading or other market disruptions; clearing and settlement of transactions may be delayed or disrupted; fees and commissions for trading may change without notice.

Individual stocks or bonds have more company specific risk than investments in a pool of securities such as an ETF or mutual fund which would be subject

to manager risk. Securities invested in a narrow asset category such as gold or a single country or economic sector have more risk individually than a combination of investments in a more diversified portfolio. We try to mitigate the volatility of all the above risk factors by diversifying investments among issuers, managers, and by asset class, but positive performance is not guaranteed, and past performance is not indicative of future results.

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the

terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Item 9 Disciplinary Information

Legal and Disciplinary

The firm and its employees have not been involved in legal or disciplinary events related to past or present investment clients.

Item 10 Other Financial Industry Activities and Affiliations

Financial Industry

Anne Gibson has served on the North American Securities Administrators Association exam writing and review committee since 2001. She has also served on the Certified Financial Planning Board exam writing committee. No conflict of interest exists due to participation on these committees.

Affiliations

GFS is not affiliated with any other financial entity.

As described in the Investment Advisory section, for clients who wish to have their accounts managed with a focus on individual equity securities, GFS has established an alliance with Deighan Associates, Inc., (DAI), an investment advisory firm located in Bangor. This Alliance enables clients to have the expertise of a firm that specializes in individual security management while at the same time continue to work with GFS as the primary contact and account administrator. Both GFS and DAI are independent Registered Investment Advisers.

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

Code of Ethics

GFS has adopted a summary Code of Ethics, to which all Investment Adviser Representatives (IARs) and employees are bound to adhere. Our summary Code of Ethics states that GFS and its IARs and employees shall always:

Act in the best interests of each and every client;

Act with integrity and dignity when dealing with clients, prospects, team members, and others;

Strive to maintain and continually enhance our high degree of professional education regarding Modern Portfolio Theory, strategic asset allocation, and financial, tax, estate, and risk management planning; and

Seek at all times to maintain our complete objectivity with respect to our advisory services and each recommendation made to our clients.

We seek to avoid material conflicts of interest. Accordingly, neither GFS nor its IARs, nor any employees receive any third party direct monetary compensation (i.e., commissions, 12b-1 fees, or other fees) from brokerage firms (custodians), mutual fund companies, insurance companies, or other providers of products. We do not sell any products. We act as a *trusted adviser* to our clients, and hence we work to maintain our independence and our ability to offer objective advice at all times.

The employees of GFS have committed to a Code of Ethics that is available for review by clients and prospective clients upon request. The firm will provide a copy of the Code of Ethics to any client or prospective client upon request.

GFS strictly prohibits its advisers and employees from misusing non-public or “insider” information. These written policies and procedures may be found in GFS’ Code of Ethics. Please contact us if you would like a copy of the Code of Ethics.

Participation or Interest in Client Transactions

GFS does not currently participate in securities in which it has any material financial interest. GFS and its related persons, as a matter of policy, do not recommend to clients, or buy or sell for client accounts, securities in which the firm or its related persons has a material financial interest.

Our Code of Ethics provides that individuals associated with our firm may buy or sell securities for their personal accounts identical or different than those recommended to clients. Indeed, it is highly likely that one or more of our firm's employees invest in the same mutual funds recommended to our clients.

Personal Trading

It is the expressed policy of GFS that no person employed by the firm shall prefer his or her own interest to that of an advisory client nor make personal investment decisions based on investment decisions of advisory clients. Nor may individuals associated with GFS undertake transactions in individual stocks, individual bonds, or certain other types of securities at the same time a client is trading in such security.

To supervise compliance with this aspect of GFS' Code of Ethics, we require that anyone associated with GFS and who possesses access to advisory recommendations (before or at the time they are entered into) to provide annual securities holding reports and quarterly transaction reports to the

Compliance Officer. We require such persons to receive advance approval from the Compliance Officer prior to trading in certain securities, and at all times prior to investing in any initial public offerings or private placements.

The Chief Compliance Officer of GFS is Anne C. Gibson.

The personal trading reviews ensure that the personal trading of employees does not affect the markets, and that clients of the firm receive preferential treatment. Since most employee trades are small mutual fund trades or exchange-traded fund trades, the trades do not affect the securities markets.

All policies and procedures are located in our procedures manual which is located in GFS' office at 67 Franklin St., Ellsworth, Maine.

Item 12 Brokerage Practices

Selecting Brokerage Firms

When GFS manages client assets under an Investment Advisory agreement, TD Ameritrade Institutional serves as the custodian and broker. We place all trades in managed accounts through TD Ameritrade. We also utilize the services of YieldQuest to assist us with the management of individual fixed income securities for some of our managed accounts.

Clients whose funds are managed under the DAI/GFS alliance use Charles Schwab as custodian.

For clients who manage their own investments but who hire GFS on a consulting basis, GFS may recommend the use of a discount broker. The most common example of when this would happen is if a client holds many different mutual funds at different mutual companies and consequently receives numerous monthly statements and year end 1099s. We advise clients to set up an account at a discount broker in order to consolidate their assets and reduce paper.

We recommend discount brokerage firms (qualified custodians), such as TD Ameritrade retail, Charles Schwab retail, Fidelity brokerage, Vanguard brokerage, USAA brokerage, or TIAA brokerage. The client makes the final decision of which custodian to use, if any, and continues to manage their own investments. GFS does not offer any ongoing oversight over client assets that are not under an Investment Advisory relationship with GFS.

We do not have any affiliation with product sales firms. Specific custodian recommendations are made to clients based on their need for such services. We recommend custodians based on the proven integrity and financial responsibility of the firm and the best execution of orders at reasonable commission rates.

We do not receive fees or commissions from any of these arrangements.

Best Execution

We review the execution of trades at TD Ameritrade each month. The review is documented in the GFS *Compliance File*. Trading fees charged by TD Ameritrade are also reviewed on a monthly basis. We do not receive any portion of the trading fees.

Soft Dollars

We do not have any soft dollar arrangements with Broker-Dealers nor do we anticipate any in the future. We will update the ADV if this changes.

Order Aggregation

Most trades are mutual funds or exchange-traded funds where trade aggregation does not garner any client benefit.

Item 13 Review of Accounts

Periodic Reviews

Account reviews for managed accounts are performed quarterly at a minimum by advisers Anne C. Gibson, MBA, CFP® and Paul E.J. Pangburn, CFP®. Account reviews may be performed more frequently when market conditions dictate. We do not review assets of clients who are under an hourly consulting engagement unless the client contacts us to do so.

Review Triggers

Changes in the tax laws, new investment information, additions and withdrawals of funds, and changes in a client's own situation may trigger a review.

Regular Reports

The Investment Committee reviews accounts. The client's current security positions and the likelihood that the performance of each security will contribute to the investment objectives of the client are considerations in the review process.

Clients whose assets are managed receive monthly Portfolio Statements from GFS and, at a minimum, quarterly statements from TD Ameritrade.

GFS' statements show market value of assets held. On an annual basis, non-retirement accounts receive tax information which includes reports of capital gains and losses, income earned and management fees paid from an account. These documents provide detail which support TD Ameritrade's tax reports. Clients whose assets are managed receive a monthly newsletter.

Item 14 Client Referrals and Other Compensation

Incoming Referrals

We have been fortunate to receive many client referrals over the years. The referrals come from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other similar sources. The firm does not compensate referring parties for these referrals.

Referrals Out

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

Other Compensation

GFS' compensation is derived primarily from asset management and financial planning/consulting fees. Occasionally we are hired by a Human Resource firm, Balancing Life's Issues, which works with companies in finding speakers to present topics to the employees of these companies. We may accept compensation for the provision of these speaking engagements.

Item 15 Custody

Account Statements

All assets are held at qualified custodians who provide account statements directly to you at your address of record at least quarterly. When we manage client accounts, TD Ameritrade is the custodian.

Performance Reports

We suggest that you compare the account statements received directly from TD Ameritrade to the report statements we provide. Statements balances should match and if any discrepancies exist, you should contact either GFS or TD Ameritrade to determine the cause of the discrepancy.

Clients may request performance reports from GFS.

Item 16 Investment Discretion

Discretionary Authority for Trading

We accept discretionary authority to manage securities accounts on your behalf. We have the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. However, we consult with you prior to each trade to obtain concurrence if you have not given blanket trading authorization.

You approve TD Ameritrade as custodian in your Investment Advisory Agreement and in doing so, you approve the commission rates paid to the custodian. GFS does not receive any portion of the transaction fees or commissions paid by you to the custodian on trades.

Discretionary trading authority facilitates placing trades in your accounts on your behalf so that we may promptly implement the investment policy that you have approved in writing.

On occasion a client may place a limitation on our discretionary authority. Some common examples of limited discretion include but are not limited to low basis securities in which a sale would result in unexpected taxation or if the client has a tie to a specific holding and desires to retain it for an undefined period.

Limited Power of Attorney

A limited power of attorney is a trading authorization for this purpose. Clients whose assets we manage sign a limited power of attorney so that we may execute the trades.

Item 17 Voting Client Securities

Proxy Votes

Clients whose assets are managed by GFS are expected to vote their own proxies which will be sent to them by TD Ameritrade.

When assistance on voting proxies is requested, we will provide recommendations to you. If a conflict of interest exists, it will be disclosed to you.

Clients whose accounts are managed by Deighan Associates will have their proxies voted by Deighan Associates. Information concerning proxies will be provided by Charles Schwab, the custodian that Deighan Associates uses. Refer to Deighan Associates ADV.

Item 18 Financial Information

Financial Condition

We do not have any financial impairment that will preclude us from meeting contractual commitments to you.

A balance sheet is not required to be provided because GFS does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$600 per client, and six months or more in advance.

Item 19 Requirements for State Licensed Investment Advisers

ADV) Anne C. Gibson, MBA, CFP® see Brochure Supplement (Part 2B of Form