



## Investment Advisor Registration Form ADV. Part II

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Investment Advice offered through Diversified Financial Advisors, LLC, a registered Investment Advisor.

**FORM ADV****Uniform Application for Investment Adviser Registration****Part II - Page 1****OMB APPROVAL**

OMB Number: 3235-0049  
Expires: February 28, 2011  
Estimated average burden  
Hours per response... .9.402

Name of Investment Adviser:

**Diversified Financial Advisors, LLC**

Address: (Number and Street)

(City)

(State)

(Zip Code)

Area Code: Telephone Number:

**14323 South Outer Forty Dr. Suite 210 South****Town & Country****MO****63017****( 314 ) 786-9000**

**This part of Form ADV gives information about the investment adviser and its business for the use of clients.  
The information has not been approved or verified by any governmental authority.**

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

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

**FORM ADV****Part II - Page 2**

Applicant:

**Diversified Financial Advisors, LLC**

SEC File Number:

**801-70541**

Date:

**05/25/2010****1. A. Advisory Services and Fees.** (check the applicable boxes)For each type of service provided, state the approximate % of total advisory billings from that service.  
(See instruction below.)**Applicant:**

- |                                     |     |   |            |
|-------------------------------------|-----|---|------------|
| <input checked="" type="checkbox"/> | (1) | Provides investment supervisory services .....  | <u>65%</u> |
| <input checked="" type="checkbox"/> | (2) | Manages investment advisory accounts not involving investment supervisory services .....  | <u>30%</u> |
| <input checked="" type="checkbox"/> | (3) | Furnishes investment advice through consultations not included in either service described above .....  | <u>5%</u>  |
| <input type="checkbox"/>            | (4) | Issues periodicals about securities by subscription .....   | <u>%</u>   |
| <input type="checkbox"/>            | (5) | Issues special reports about securities not included in any service described above .....   | <u>%</u>   |
| <input type="checkbox"/>            | (6) | Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities ..... | <u>%</u>   |
| <input type="checkbox"/>            | (7) | On more than an occasional basis, furnishes advice to clients on matters not involving securities .....   | <u>%</u>   |
| <input type="checkbox"/>            | (8) | Provides a timing service .....   | <u>%</u>   |
| <input type="checkbox"/>            | (9) | Furnishes advice about securities in any manner not described above .....   | <u>%</u>   |

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

**B.** Does applicant call any of the services it checked above financial planning or some similar term? .....Yes ☒ No ☐**C.** Applicant offers investment advisory services for: (check all that apply)

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

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

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

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

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

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

**FORM ADV****Part II - Page 3**

Applicant:

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**05/25/2010****3. Types of Investments.** Applicant offers advice on the following: (check those that apply)

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

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

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

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

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

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

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

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

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

**FORM ADV****Part II - Page 4**

Applicant:

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Date:

**05/25/2010****5. Education and Business Standards.**

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients? . . . . .

Yes No  
☒ ☐

(If yes, describe these standards on Schedule F.)

**6. Education and Business Background.**

For:

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

On Schedule F, give the:

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

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

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

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

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

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

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

- D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest?.....

Yes No  
☐ ☒

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

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

**FORM ADV**
**Part II - Page 5**

Applicant:

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Date:

**05/25/2010**
**9. Participation or Interest in Client Transactions.**

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

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

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.) Describe, on Schedule F, your code of ethics, and state that you will provide a copy of your code of ethics to any client or prospective client upon request.

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

Yes No  
☒ ☐

(If yes, describe on Schedule F.)

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

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

**The DFA advisory representative will periodically review the performance of all client investment accounts handled by them (whether the transactions were executed through the advisory representative or another entity, as long as the client keeps the DFA advisory representative apprised of their accounts) in light of the client's identified needs and objectives, unless the client instructs otherwise. The DFA advisory representative advises clients to request a review at least annually or more frequently if necessary. DFA makes no representation with respect to legal or tax matters and it is the client's responsibility to consult with legal or tax counsel as necessary. Additional reviews may be conducted by designated supervisory personnel at DFA or by the home office.**

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

**The frequency and nature of reports to the client is determined by the agreement between the advisory representative of the applicant and the client. Such reports may or may not be in writing, and may entail different depths of analysis as agreed by the client. Clients will receive regular statements from their broker/dealers, mutual fund company, retirement plan administrator and other money managers, as appropriate.**

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

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**12. Investment or Brokerage Discretion.**

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

(1) securities to be bought or sold? . . . . .

Yes No

☒ ☐

(2) amount of the securities to be bought or sold ? . . . . .

Yes No

☒ ☐

(3) broker or dealer to be used ? . . . . .

Yes No

☐ ☒

(4) commission rates paid? . . . . .

Yes No

☐ ☒

B. Does applicant or a related person suggest brokers to clients? . . . . .

Yes No

☒ ☐

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

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

**13. Additional Compensation.**

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

A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients? . . . . .

Yes No

☒ ☐

B. directly or indirectly compensates any person for client referrals? . . . . .

Yes No

☒ ☐

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

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

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

Has applicant provided a Schedule G balance sheet? . . . . .

Yes No

☐ ☒

**Schedule F of  
Form ADV**

**Continuation Sheet for Form ADV Part II**

Applicant:

**Diversified Financial Advisors, LLC**

SEC File Number:

**801-70541**

Date:

**05/25/2010**

Item of Form (identify)	Answer
<b>1 D</b>	<p><b>DIVERSIFIED FINANCIAL ADVISORS, LLC (DFA)</b> offers four categories of advisory services. Clients have the option of choosing any one plan or a combination of plans.</p> <p><b>CATEGORY 1 – FINANCIAL AND INVESTMENT PLANNING SERVICES;</b> Offers investment advice and/or supervisory services for an hourly fee. Single need analysis is also offered, with the review and recommendations related solely to that identified objective.</p> <p><b>CATEGORY 2 – ASSET UNDER MANAGEMENT;</b> Offers advisory services for a fee based on a percentage of assets under management, including initial portfolio allocation; ongoing supervision, rebalancing, and periodic reports and reviews.</p> <p><b>CATEGORY 3 – LPL Financial Sponsored Advisory Programs;</b> Offers access to various investment advisory programs sponsored by LPL Financial Corporation (LPL), a registered investment advisor and broker-dealer.</p> <p><b>CATEGORY 4 – OUTSIDE MANAGEMENT SERVICES;</b> Offers access to independent investment management companies and advisory services for various asset allocations, asset management, and/or timing services.</p> <p><b><u>CATEGORY 1: FINANCIAL AND INVESTMENT PLANNING SERVICES</u></b></p> <ul style="list-style-type: none"> <li>A. Consult with the client and analyze the Clients financial needs and objectives based upon the information provided by the client, this may include but not limited to: retirement planning, investment planning/asset allocation, estate planning, insurance planning and college planning or:</li> <li>B. Recommend, as part of the client’s financial plan, investment strategies that the DFA Advisory Representative believes are suited for the client’s identified needs and objectives: and</li> <li>C. Review the performance of client investment accounts (whether purchased through DFA or identified to DFA Advisory Representative by the client for review) in light of the client’s identified needs, objectives and financial plan on continuous or periodic basis as specified in services agreement: and</li> <li>D. Discuss the review with the client at least annually or more frequently as is indicated by the nature of the client’s investments or client’s request: and</li> <li>E. Recommend, verbally or in writing, changes in client investments, strategy or financial plan in connection with review of client investments or the identification of new financial needs or objectives by the client.</li> <li>F. When called for, DFA Advisory Representative may conduct a single-need analysis to provide research, plan design or specific investment advice.</li> </ul> <p>All investment analyses and recommendations will be based upon information provided to the DFA Advisory Representative by the client. There will be no independent investigation of client background information, nor update of such information without the express involvement and consent of the client. It remains the client’s responsibility to advise the DFA Advisory Representative of any changes in circumstances, e.g. financial need objectives, goals and</p>

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

**Schedule F of  
Form ADV**

**Continuation Sheet for Form ADV Part II**

Applicant:

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Date:

**05/25/2010**

Item of Form (identify)	Answer
	<p>investments held with other firms or any other changes which would impact the client's financial situation.</p> <p>FEES: Fees are charged for services at an hourly rate of \$250 per hour, and may be reduced pursuant to an agreement between the DFA Advisory Representative and the client. The fees will be specified in the client's service agreement.</p> <p>Estimates provided by DFA Advisory Representative are based upon preliminary assessment of the complexity of the client's financial circumstances, the level of skill required to perform the services, and, accordingly, the time likely to be required to perform the services. One half of the estimated fee may be due and payable upon acceptance of the client service agreement. In such a case, the balance of the fees will be due and payable upon delivery of the plan or recommendations. Under no circumstances will DFA require payment of a fee more than six months in advance or in excess of \$500.</p> <p>The hourly rate may be changed periodically upon thirty days written notice to the client, for special situations, such as more frequent reviews, more specialized or complex plan design and reporting, and any other extraordinary services.</p> <p>The Client may terminate this agreement within five business days after the date when all parties have signed the agreement without penalty. After this five-day period, either party may terminate the agreement upon 30 days written notice to the other.</p> <p><b><u>CATEGORY 2: ASSETS UNDER MANAGEMENT</u></b></p> <p>Clients may choose to receive either discretionary or non-discretionary investment supervisory or management services directly from DFA through DFA Advisory Representatives. Under the terms of the client service agreement DFA Advisory Representative may:</p> <p>A. Review the performance of the client's investments (whether or not purchased through DFA Advisory Representative) in light of the client's identified needs, objectives and financial plan. This review may be performed on a continuous basis or a periodic basis, as agreed upon by the client and specified below.</p> <p>B. Recommended changes in the client's investments, investment strategy, either verbally or in writing. Recommendation may be given in connection with the review of the client's current investments or the client's financial needs or objectives as identified by the client.</p> <p>C. Purchase and sell on a discretionary or non-discretionary basis no load and load waived mutual funds and ETFs pursuant to the investment objectives chosen by the client, liquidate previously purchased load mutual funds.</p> <p>D. Report on the current status of client holdings on a periodic basis as agreed upon in the client service agreement.</p> <p>These services may be offered in conjunction with the services of an independent custodial service with provisions that may include research reports, recommendations or models for the portfolio, and periodic portfolio statements.</p>

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

**Schedule F of  
Form ADV**

**Continuation Sheet for Form ADV Part II**

Applicant:

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**05/25/2010**

Item of Form (identify)	Answer
	<p>Investment strategies and recommendations may be based upon consideration on any of the following:</p> <ul style="list-style-type: none"><li>A. Diversification: for the purpose of balancing risk while maintaining the possibility of gain; or</li><li>B. Risk Factors: including the risk of capital loss (Market risk) and the risk of loss of purchasing power, inflation risk and the clients understanding of and financial ability to beat such risks; or</li><li>C. Asset Balance: taking into consideration short and long term liquidity needs, blending of less and greater risk approaches and combining income, growth, and safety concepts; or</li><li>D. Discipline: emphasizing commitment and follow through over a reasonable period of time in order to permit the investment plan or recommendations to achieve the intended result; or</li><li>E. Income Tax Consideration: but these should not replace economic benefits as the principle determinant of investment decisions.</li></ul> <p>FEES: As compensation for reviewing the assets under management, the client will pay DFA a fee based on the size of the account, complexity of the portfolio, extent of activity in the account, or other reasons agreed upon by the DFA Advisory Representative and the client. The advisory fee is negotiated between the DFA Advisory Representative and the client not to exceed 2% of assets under management. The client service agreement and percentages may be modified in writing by both parties for special situations, such as more frequent reviews; additional investments or withdrawals that change the asset basis for calculating quarterly billing; and any other extra services.</p> <p>This is not a wrap-free arrangement. In addition to these advisory fees, the client will separately pay all security commissions and other charges on the purchase or sale of securities for the account. There may be other fees and charges apart from these advisory fees. For example, if applicable, the client will pay separately for custodial services.</p> <p>The advisory fees will be paid quarterly in advance, based on the account's asset value as of the last business day of the prior calendar quarter. The amount due will be prorated for the first calendar quarter and will be based on the account asset value on that date.</p> <p>If the service is provided through an independent custodian, provisions may be made in the initial service agreement for fees to be automatically deducted from the portfolio.</p> <p>The Client may terminate this agreement within five business days after the date when all parties have signed the agreement without penalty. After this five-day period, either party may terminate</p> <p><b><u>CATEGORY 3: LPL FINANCIAL SPONSORED ADVISORY PROGRAMS</u></b></p> <p>DFA Advisory Representatives may provide advisory services through certain programs sponsored by LPL Financial Corporation (LPL), a registered investment advisor and broker-dealer. Below is a brief description of each LPL advisory program available to the DFA Advisory Representatives. For more information regarding the LPL programs, including more information on the advisory services and fees that apply, the types of investments available in the programs and the potential conflicts of interest presented by the programs please see the LPL Financial Form ADV Part II or the applicable program's Schedule H and the applicable client agreement.</p>

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**Schedule F of  
Form ADV**

**Continuation Sheet for Form ADV Part II**

Applicant:

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Date:

**05/25/2010**

Item of Form (identify)	Answer
	<p><b><u>LPL Advisory Programs:</u></b></p> <p><b>Optimum Market Portfolios Program (OMP)</b></p> <p>OMP offers clients the ability to participate in a professionally managed asset allocation program using Optimum Funds Class I shares. Under OMP, client will authorize LPL on a discretionary basis to purchase and sell Optimum Funds pursuant to investment objectives chosen by the client. Advisor will assist the client in determining the suitability of OMP for the client and assist the client in setting an appropriate investment objective. Advisor will have discretion to select a mutual fund asset allocation portfolio designed by LPL consistent with the client's investment objective. LPL will have discretion to purchase and sell Optimum Funds pursuant to the portfolio selected for the client. LPL will also have authority to rebalance the account.</p> <p>A minimum account value of \$15,000 is required for OMP.</p> <p><b>Personal Wealth Portfolios Program (PWP)</b></p> <p>PWP offers clients an asset management account using asset allocation model portfolios designed by LPL. Advisor will have discretion for selecting the asset allocation model portfolio based on client's investment objective. Advisor will also have discretion for selecting third party money managers (PWP Advisors) or mutual funds within each asset class of the model portfolio. LPL will act as the overlay portfolio manager on all PWP accounts and will be authorized to purchase and sell on a discretionary basis mutual funds and equity and fixed income securities.</p> <p>A minimum account value of \$250,000 is required for PWP.</p> <p><b>Model Wealth Portfolios Program (MWP)</b></p> <p>MWP offers clients a professionally managed mutual fund asset allocation program. DFA Advisory Representative will obtain the necessary financial data from the client, assist the client in determining the suitability of the MWP program and assist the client in setting an appropriate investment objective. The Advisor will initiate the steps necessary to open an MWP account and have discretion to select a model portfolio designed by LPL's Research Department consistent with the client's stated investment objective. LPL's Research Department is responsible for selecting the mutual funds within a model portfolio and for making changes to the mutual funds selected.</p> <p>The client will authorize LPL to act on a discretionary basis to purchase and sell mutual funds (including in certain circumstances exchange traded funds) and to liquidate previously purchased securities. The client will also authorize LPL to effect rebalancing for MWP accounts.</p> <p>In the future, the MWP program may make available model portfolios designed by strategists other than LPL's Research Department. If such models are made available, Advisor will have discretion to choose among the available models designed by LPL and outside strategists.</p> <p>A minimum account value of \$100,000 is required for MWP.</p> <p><b>Manager Access Select Program</b></p> <p>Manager Access Select provides clients access to the investment advisory services of professional portfolio management firms for the individual management of client accounts. Advisor will assist client in identifying a third party portfolio manager (Portfolio Manager) from a list of Portfolio</p>

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**Schedule F of  
Form ADV**

**Continuation Sheet for Form ADV Part II**

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**05/25/2010**

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	<p>Managers made available by LPL. The Portfolio Manager manages client's assets on a discretionary basis. Advisor will provide initial and ongoing assistance regarding the Portfolio Manager selection process.</p> <p>A minimum account value of \$100,000 is required for Manager Access Select, however, in certain instances, the minimum account size may be lower or higher.</p> <p><b><u>Fees for LPL Advisory Programs</u></b></p> <p>The account fee charged to the client for each LPL advisory program is negotiable, subject to the following maximum account fees:</p> <table><tbody><tr><td>Manager Access Select</td><td>3.0%</td></tr><tr><td>OMP</td><td>2.5%</td></tr><tr><td>PWP</td><td>2.5%</td></tr><tr><td>MWP</td><td>2.5%</td></tr></tbody></table> <p>Account fees are payable quarterly in advance.</p> <p>LPL serves as program sponsor, investment advisor and broker-dealer for the LPL advisory programs. DFA Advisory Representative and LPL may share in the account fee and other fees associated with program accounts. Associated persons of Advisor may also be registered representatives of LPL (see Item 7.C).</p> <p><b><u>Potential Conflicts of Interest</u></b></p> <p>Transactions in LPL advisory program accounts are generally effected through LPL as the executing broker-dealer.</p> <p>Advisor receives compensation as a result of a client's participation in an LPL program. Depending on, among other things, the size of the account, changes in its value over time, the ability to negotiate fees or commissions, and the number of transactions, the amount of this compensation may be more or less than what the Advisor would receive if the client participated in other programs, whether through LPL or another sponsor, or paid separately for investment advice, brokerage and other services.</p> <p><b><u>CATEGORY 4: OUTSIDE MANAGEMENT SERVICES</u></b></p> <p>DFA Advisory Representatives may make referrals to various unaffiliated investment advisors who independently offer services such as money management, asset allocation, market timing and financial and investment planning services ("Independent Advisors"). These Independent Advisors are solely responsible for their investment advice or services. DFA does not review, and is not responsible for specific advice or services rendered by Independent Advisors. An Independent Advisor will provide clients with a separate disclosure brochure (or Part II of their form ADV), describing its advisory representatives, services and fees.</p> <p>Currently DFA has relationship with BTS Asset Management, Eplan Services, and Stadion.</p>	Manager Access Select	3.0%	OMP	2.5%	PWP	2.5%	MWP	2.5%
Manager Access Select	3.0%								
OMP	2.5%								
PWP	2.5%								
MWP	2.5%								

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

**Schedule F of  
Form ADV**

**Continuation Sheet for Form ADV Part II**

Applicant: <b>Diversified Financial Advisors, LLC</b>	SEC File Number: <b>801-70541</b>	Date: <b>05/25/2010</b>
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Item of Form (identify)	Answer
5	<p>Under these referral agreements, compensation may be paid to DFA and/or DFA Advisory Representatives in exchange for introducing clients to the Independent Advisor and/or for providing ongoing consultation with clients in connection with the services of the Independent Advisor. Each referral arrangement and the referral compensation that will be paid to DFA or DFA Advisory Representatives by the Independent Advisor are fully disclosed in a separate disclosure statement furnished by DFA or DFA Advisory Representatives at the time of the referral.</p> <p>FEES: Clients who elect to engage independent investment advisory services through these referral arrangements have several fee options.</p> <p>1. Clients implementing an outside advisory service through DFA for individual portfolio management may pay only an all-inclusive fee commonly referred to as a wrap fee. This fee is normally based on assets under management and includes the costs of securities transactions, advisory fees, and any other services/ costs listed by the individual Investment Advisor.</p> <p>2. In some cases, compensation agreements will incorporate a separate advisory fee paid to DFA by the client paid by regular periodic deductions from positions held by the independent advisor. In each case, the amount of all fees assessed is disclosed and is negotiated between the DFA Advisory Representative and the client not to exceed 2% of assets under management. The client service agreement and percentages may be modified in writing by both parties for special situations, such as more frequent reviews; additional investments or withdrawals that change the asset basis for calculating quarterly billing; and extra services.</p> <p>The Client may terminate this agreement within five business days after the date when all parties have signed the agreement without penalty. After this five-day period, either party may terminate the agreement upon 30 days written notice to the other.</p> <p><b><u>EDUCATION AND BUSINESS STANDARDS</u></b></p> <p>All DFA Advisory Representatives must be qualified and have met the minimum licensing requirements of FINRA Series 6 and State Life Insurance Exams. All representatives must also be registered representatives of LPL under FINRA rules and applicable state laws. DFA imposes no other specific educational standards with respect to DFA Advisory Representatives. Many do have other professional designations obtained by completing various courses of study, by passing qualification examinations or by meeting standards imposed by Financial Service Industry Association. These designations may include a Certified Financial Planner™ (CFP®) or Accredited Investment Fiduciary™ (AIF®) and others.</p>
6	<p><b><u>EDUCATION AND BUSINESS BACKGROUND</u></b></p> <p>The Following list the year of birth, formal education after high school, and last 5 years of business experience for each investment advisory representative of DFA:</p> <p><b>John Joseph Moynihan</b>; born 1953  <u>Formal Education after High School:</u>          Series 7, 63, 65 Securities Licenses, Life and Health Insurance Licensed          2004 Accredited Investment Fiduciary (AIF®)  <u>Business Background:</u></p>

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7C	<p>1992 to Present, President and Partner of Diversified Financial Advisors, LLC  2009 to Present, Registered Representative, LPL Financial  1986 to 2009, Registered Representative, Mutual Service Corporation  1982 to 1991, Independent Financial Advisor</p> <p><b>Cynthia D. Moynihan</b>; born 1954  <u>Formal Education after High School:</u>  Series 6 and 63 Securities Licenses, Life Insurance Licensed  <u>Business Background:</u>  1992 to present, Managing Director &amp; Chief Compliance Officer of  Diversified Financial Advisors, LLC  2009 to Present, Registered Representative, LPL Financial  1994 to 2009 Registered Representative, Mutual Service Corporation  1987 to 1992 Independent Insurance agent</p> <p><b>Joseph P. Trybula</b>; born 1972;  <u>Formal Education after High School:</u>  University of Missouri, 1996  2001 CERTIFIED FINANCIAL PLANNER™, certificand. (CFP®)  2004 Accredited Investment Fiduciary™ (AIF®)  Series 7 and 63 Securities Licenses, Life Insurance Licensed  <u>Business Background:</u>  1996 to present, Vice President of Advisory Services, Diversified Financial Advisors, LLC.  2009 to Present, Registered Representative, LPL Financial  1996 to 2009, Registered Representative, Mutual Service Corporation</p> <p><b><u>OTHER BUSINESS ACTIVITIES</u></b></p> <p>The DFA advisory representatives may also engage in the buying and selling of securities and insurance products on behalf of clients for separate and customary commission compensation. It is estimated that 30% or greater of the time of the advisory representative is devoted to non-advisory activities, i.e., their activities as representative's of a securities broker/dealer and or insurance agent.</p>
9 B,E	<p><b><u>PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS</u></b></p> <p>DFA Advisory representatives are registered representatives of LPL Financial Service (LPL) a full service securities broker/dealer and investment advisor licensed under federal and state securities laws. LPL is a member of Financial Industry Regulatory Authority, Inc. ("FINRA") and the Securities Investors Protection Corporation ("SIPC"). Securities transactions for LPL's brokerage clients are executed through LPL, member FINRA and SIPC. DFA is a separate entity from LPL Financial.</p> <p>The DFA Advisory Representative's advisory clients are free to implement advisory recommendations through any firm. There is no obligation to effect transactions through LPL or the DFA Advisory Representative in their capacity as a securities salesperson. The Applicant does not warrant or represent that commission for transactions implemented through LPL will be lower than commission available if the client used another brokerage firm. The DFA Advisory Representative, however, does believe that the overall level of services and support provided to clients by LPL outweighs the potentially lower transaction costs available under other brokerage arrangements. If advisory client implements recommendations made by the DFA Advisory Representative by</p>

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<b>CODE OF ETHICS</b>	<p>purchasing securities or other products through LPL, the DFA Advisory Representative may receive additional compensation in the form of commissions, including 12b-1 fees for the sale of investment company products. The DFA Advisory Representative may make conflicting or differing recommendations with respect to the same securities or insurance products to different advisory clients.</p> <p>Each DFA Advisory Representative also has arrangements to sell insurance through several companies. A list of insurance companies represented is available upon request. If advisory client implements recommendations made by the DFA Advisory Representative, the DFA Advisory Representative may receive additional compensation in the form of commissions.</p> <p>The DFA Advisory Representative may recommend to clients the purchase or sale of investment products in which it or a related person may have some financial interest, including, but not limited to, the receipt of compensation.</p> <p>The DFA Advisory Representatives may buy or sell for itself investment products recommended to clients. The principal of the DFA advisory representatives will review all securities transactions of related persons of the DFA Advisory Representatives to ensure no conflicts exist with client executions.</p> <p><b><u>CODE OF ETHICS</u></b></p> <p>Diversified Financial Advisors, LLC has adopted a Code of Ethics, the full text of which is available to clients upon request. Diversified Financial Advisors, LLC has several goals in adopting this Code. First, Diversified Financial Advisors, LLC desires to comply with all applicable laws and regulations governing its practice. The Firm believes that compliance with such regulations is a signal to its clients that Diversified Financial Advisors, LLC supports the efforts of those organizations dedicated to upholding the law.</p> <p>Next, the management of Diversified Financial Advisors, LLC has determined to set forth guidelines for professional standards, under which all associated persons of Diversified Financial Advisors, LLC are to conduct themselves. Diversified Financial Advisors, LLC has set high standards, the intention of which is to protect the client interest 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 strictly adhere 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. This will serve to educate associated persons regarding appropriate activities. Diversified Financial Advisors, LLC has instituted, as a deterrent, a policy of disciplinary actions to be taken with respect to any associated person who violates the Code.</p>
<b>10</b>	<p><b><u>CONDITIONS FOR MANAGING AN ACCOUNT</u></b></p> <p>The following minimum account sizes or annual fees apply to the advisory services offered by the DFA advisory representative. Minimum account size of \$15,000 is required to open and maintain an account.</p>
<b>12 A,B</b>	<p><b><u>INVESTMENT OR BROKERAGE DISCRETION</u></b></p> <p>Assets Under Management accounts, Clients may grant the DFA Advisory Representative discretionary trading authorization to buy, sell, or exchange investments held by and in the name of</p>

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13A	<p>the client's account in shares of mutual funds, variable annuity sub-accounts, ETF's, the money market fund, or cash. The DFA Advisory Representative may select, allocate, and exchange investments in the account among mutual funds, money market, and cash as determined by the DFA Advisory Representative from time to time in accordance with this agreement. Such discretionary authorization will be limited to the above products, without generating any commission to the associates. Clients must approve all other transactions in advance. The client's prior consent will not be required to make these investment decisions or to place orders to implement those decisions. Where the Firm enters into non-discretionary arrangements with clients, the Firm will obtain client approval prior to the execution of any trade.</p> <p>The DFA Advisory Representative will recommend that Client in need of brokerage and custodial services utilize LPL. The DFA Advisory Representatives are also registered as representatives of LPL, a broker/dealer and FINRA member firm. LPL is required to supervise the securities trading activities of its representatives.</p> <p>Clients are required to select a broker/dealer for participation in all advisory programs offered by the DFA Advisory Representative does not have the discretionary authority to determine the broker/dealer to be used or the commission rates to be paid. The DFA advisory representative therefore, reserves the right to not accept a Client account if the Client is trying to select a broker or dealer other than LPL. Due to the nature of its advisory services, the DFA Advisory Representative does not have the authority to negotiate commissions or obtain volume discounts, although the DFA Advisory Representative will attempt, to achieve best execution of transactions. In addition, a disparity in commission charges may exist between the commissions charged to other Clients.</p> <p><b><u>ADDITIONAL COMPENSATION</u></b></p> <p>In addition, the DFA Advisory Representatives may, from time to time, receive 12b-1 distribution fees from investment companies through their separate capacities of being registered representatives of LPL.</p> <p>While these individuals endeavor at all times to put the interest of the Client first as part of the DFA Advisory Representative's fiduciary duty, Clients should be aware that the receipt of additional compensation itself creates a conflict of interest, and may affect the judgment of these individuals when making recommendations.</p> <p>The DFA Advisory Representative has entered into a number of Selling Agreements with other investment advisors registered under the Investment Advisors Act of 1940, whereby the DFA Advisory Representative provides solicitation services on behalf of these other advisors. The other advisors provide market timing and/or portfolio management services on behalf of Clients. Solicitation fees are paid to the DFA Advisory Representative in compliance with Rule 206 (4)-3. Specifically, services, disclosure forms, and written agreements are pursuant to Rule 206 (4)-3(2)(iii)(A)-(C). All parties acting under this arrangement will be properly registered with the appropriate agencies.</p>
13B	<p><b><u>COMPENSATION FOR CLIENT REFERRALS</u></b></p> <p>Employee and non-employee (outside) solicitors who are directly responsible for bringing a client to DFA may receive compensation from DFA for the client referral. Under these arrangements, the client does not pay higher fees than DFA's normal/typical advisory fees.</p> <p>Such arrangements will comply with the requirements set forth under the Investment Advisers Act of 1940 including a written agreement between DFA and the solicitor. Non-employee solicitors must</p>

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<b>PRIVACY STATEMENT</b>	<p>provide a copy of DFA's ADV Part II and a separate solicitor's disclosure statement regarding the relationship between the solicitor and DFA to the prospective client at the time of the solicitation or referral. The prospective client will be requested to acknowledge this arrangement prior to acceptance of the account for advisory services. Applicable state laws may require these persons to become either licensed or registered as representatives of DFA or as an independent investment adviser.</p> <p><b><u>PRIVACY STATEMENT</u></b></p> <p>As our customer, you have trusted Diversified Financial Advisors, LLC to help you achieve financial success and security. To maintain that trust, we are committed to protect the privacy and security of the personal information that we collect about our customers. This notice is intended to help you understand how we collect, handle, and safeguard that information.</p> <p>We treat the personal information of our customers in a confidential manner. We do not provide any information to unrelated companies for the purpose of marketing their products or services to our customers.</p> <p>When you establish a relationship with us, you are requested to furnish personal and financial information used to assist in assessing your investment objectives and goals. The information you share with us is often private and confidential, and we are therefore committed to its protections. In addition to the information collected, during the course of our relationship we may also collect a variety of nonpublic personal information from other sources. The confidential information we collect may include the following:</p> <ol style="list-style-type: none"><li>1. Information we receive from you, such as your name, address, social security number, assets, income, investment objectives and other information as required by Industry Regulators.</li><li>2. Information about your transactions, including balances, portfolio holdings, cash balances, margin balances, and customer statements. Also included may be portfolio evaluations.</li><li>3. Medical or health information that you the customer authorize us to receive from doctors or other health care providers and medical vendors in relation to the advice provided on a traditional or variable life policy.</li></ol> <p>Diversified Financial Advisors, LLC does not share customer information with any third party other than those that are authorized by you or that are required in order for us to provide services agreed upon by the client, service an account, execute a transaction, or if required to do so by regulation or law.</p> <p>Diversified Financial Advisors, LLC has established policies to maintain physical, electronic, and procedural safeguards to maintain the confidentiality of the personal information of our customers. Appropriate measures are taken to ensure that access is available to those individuals who need to know that information in order to provide our products and services.</p> <p>Diversified Financial Advisors, LLC will not disclose any non-public personal information about its clients or former clients to anyone, except as permitted by law. If a client decides to close the client's account(s) with the investment adviser or becomes an inactive client, the investment adviser will continue to adhere to its privacy policy and practices with respect to that client as described in this notice.</p>

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14323 SOUTH OUTER FORTY DRIVE

Suite 210 SOUTH

ST. LOUIS, MO 63017

800-307-0376

**DIVERSIFIED FINANCIAL ADVISORS, LLC**  
**REGISTERED INVESTMENT ADVISOR**

14323 South Outer Forty Dr.  
Suite 210 South  
Town & Country, MO 63017  
314-786-9000 or 1-800-307-0376

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**RECEIPT OF FORM ADV, PART II**

I (We) acknowledge receipt of Diversified Financial Advisors, LLC  
Form ADV Part II

\_\_\_\_\_  
Client Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Client Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print or Type Name(s)

\_\_\_\_\_  
Address

\_\_\_\_\_  
City, State, Zip

WITNESS:

\_\_\_\_\_  
Planner's Signature

\_\_\_\_\_  
Date